



# THE THREEFOLD STATE

*Translated Works of*

**RUDOLPH STEINER, PH.D.**

The Philosophy of Freedom  
An Outline of Occult Science  
The Lord's Prayer  
(The Gates of Knowledge  
Philosophy and Theosophy  
Three Essays on Haeckel and on Karma  
The Education of Children  
The Occult Significance of Blood  
Atlantis and Lemuria  
The Way of Initiation  
Initiation and its Results  
Theosophy  
The Mystics of the Renaissance  
Christianity as Mystical Fact  
A Road to Self-Knowledge  
The Threshold of the Spiritual World

# THE THREEFOLD STATE

THE TRUE ASPECT  
OF THE SOCIAL QUESTION

BY  
RUDOLPH STEINER

*Author of 'The Philosophy of Freedom,'  
'Von Seelenrätseln,' etc.*

LONDON  
GEORGE ALLEN & UNWIN, LTD.  
RUSKIN HOUSE, 40, MUSEUM STREET, W.C. 1.



*First Published, 1920*  
*Copyright in U.S.A. by Rudolph Steiner, 1920*  
*All Rights Reserved*

AUTHORIZED ENGLISH TRANSLATION

THE perplexities that beset the translation of this book have been many and suggestive. It is never a light task to transfer into new garb a thought that has already found its appropriate shape, nor even to light upon terms in two languages that exactly cover each other's field of meaning and association. But, here, there is the added difficulty, that the conceptions,—and therefore the phrasing,—not seldom cut across commonly accepted notions ; and the very precision of the underlying idea is often forced to find expression in a roundabout form. At the same time, this philosophy is not a remote and self-contained one, but has to do with everyday affairs. Thus, the translator has to solve each case as a question of concepts as well as of words, and to speak of familiar things in a way that is not trite, and yet not ' foreign.'

In some cases, the obvious word in English has wandered away from its original meaning and acquired a new connotation, leaving part of what it once stood for nameless and obscure. Or it exists as a noun, but lacks a corresponding verb and adjective.

Of this class, three terms have caused trouble to the translators: GEIST, RECHT, WIRTSCHAFT,

—all three repeatedly recurring in old and new connections, and of fundamental importance :—

GEIST (Old English 'Ghost') is *Spirit*, in its *primary sense*: that which inspires and directs thought and all forms of labour and action in a quite practical way. As used in this book, the word Geist is unusually clear and definite, but does not otherwise depart from common parlance ; whereas, in English, 'Spirit' has come to imply something vaguely emotional and transcendental, —certainly not practical, whilst 'spiritual' is banished to the domain of religion. Hence, GEIST and GEISTESLEBEN have had to be translated variously—and therefore unsatisfactorily—'Spirit,' 'Intellect,' 'Life of the mind and spirit,' 'Spiritual and intellectual life,' etc., etc., according to the context.

RECHT ('*Right*,' in both the *legal and moral sense*) contains the old ideas of Right and 'Justice ; and hence it implies Law, Equity, and what a citizen is by law entitled to : his 'Rights.' This term, in all its senses, is recognized in German popular speech and jurisprudence. In English, it has been necessary on each occasion to find an expression that would suggest as many of the connotations as possible. RECHTSSTAAT had to be rendered by the strained and unfamiliar '*Equity State*,' or by '*Political* (i.e. 'Civic') *State*,' in the restricted sense in which the author uses 'politics.' RECHT has to be sometimes '*Right*,' or '*Human rights*,'—sometimes '*Equity*.'

WIRTSCHAFT in its narrow meaning is '*House-keeping*,' in its wider sense '*Social Housekeeping*,'

i.e. *Practical Economics*, or *Financial and Industrial Organization* ; — whilst the allied verb WIRTSCHAFTEN, with its suggestion of well-ordered family, or communal, life, can only be indicated by paraphrasing.

The translators know, that in their rendering something of the original has been lost ; but they trust to the force of the ideas behind it to make their way even through an inadequate form.

THE TRANSLATORS.



## CONTENTS

	PAGE
A Foreword as to the Purpose of this Book .	ix

### I

The Social Question in its True Aspect as it presents itself in the Life of the Modern World . . . . .	I
--	---

### II

What actual Life demands for the Solution of Social Problems and Social Needs .	46
--	----

### III

Capitalism and Social Ideas . . . .	100
-------------------------------------	-----

### IV

International Aspects of the Threefold Commonwealth . . . . .	177
ix	



## A FOREWORD

AS TO THE PURPOSE OF THIS BOOK

THE social life of the present day presents us with grave and far-reaching problems. We are faced with demands for new forms of social structure; and, confronted by them, we become aware that the solution of these problems must be sought along paths that have not hitherto been thought of. On the strength of existing facts, there may now be a chance for someone to obtain a hearing, whose experience of life has convinced him that the present chaos is due to lack of thought—to this failure to think out roads that have now become needful. The arguments of the following work are based upon such a conviction. Their object is to indicate what must be done in order to turn the demands, that are to-day put forward by a great portion of mankind, in the direction of a resolute



social purpose and one conscious of its end.

Whether these demands are agreeable to this person or that, should have but little influence in forming such a resolve. These demands exist, and they have to be reckoned with as facts of social life. This must be remembered by those who, because of their personal position in life, may be inclined to be displeased with the way in which the writer speaks when dealing with the demands of the working class, because from their point of view he lays too exclusive an emphasis on these demands as something to be taken into account in forming a social purpose. But the writer is talking of the life around us to-day in all its actuality, in so far as his experience of it enables him to speak. He sees before his eyes the terrible consequences which must ensue, if people persist in ignoring those undeniable facts which have actually arisen out of the life of modern humanity, and if they accordingly will have nothing to do with any social aim which recognizes these facts.

The first to be dissatisfied with the author's remarks will be those persons who regard themselves as experts in practical life—or what, under the influence of fond habit, has come to be considered as practical life. They will opine, that these pages are not written by a practical person. These are just the people who, in the author's opinion, will have radically to change their ideas. For it seems to him that their practice of life is the thing which has been shown to be a mistake by the facts which mankind has been forced to experience in our times,—that very mistake which has led to such disastrous and limitless consequences. They will have to recognize, that many things must be accepted as practical which to them seem impossible idealism. They may think that this book goes wrong at the very start, because a good deal is said in its first pages about the spiritual and mental life of modern mankind, and not so much about the economic life. The author's experience, however, forces him to hold,

that the old blunders will only be succeeded by endless new ones, unless people make up their minds to pay proper attention to what is going on in the minds and spirits of the men of to-day.

Neither will what the writer says in this book find much favour with those who, under various forms, keep on reiterating the old phrases, that men must rise above their devotion to merely material interests and turn to ideals and to the things of the spirit. For the author does not attach much value to mere talk about the spirit, to speeches about a vague spiritual world. The only kind of spirituality which he is able to recognize is that which informs the actual life of men, and which shows itself no less active in mastering the practical tasks of life than in constructing a philosophy of the universe and of existence capable of satisfying the needs of the soul. The point is not the recognition or supposed recognition of something spiritual, but that this spiritual something manifests itself in a grip of practical affairs, and is

not a special preserve of the hidden soul, a side-current accompanying the full tide of real life. And so, what is said in these pages may indeed seem to the 'spiritually-minded' too little spiritual, to 'practical men' too remote from practice. Yet the writer thinks that he may be of use to the present age for this very reason, namely that he does not share that remoteness from life which characterizes many who to-day esteem themselves practical, neither can he approve that kind of talk about the spiritual which builds a visionary substance out of phrases.

It is as a problem of economics, of human rights, and of spiritual life that the social question is discussed in this book. The writer thinks he perceives how the true form of the social question can be recognized from the demands of these three domains of life: that of economics, of rights, and of the spirit. And it is only from such a perception that the impulse can come which shall lead to a sound construction of these three domains of life within the social order.

In the earlier days of humanity's evolution, the social instincts of themselves found the proper function within the community for each of these three branches of life, in a way that corresponded to human nature as human nature was at that period. In the present stage of human development we are faced with the necessity of working out this differentiation by a deliberate and conscious social effort.

In those countries where there can be any immediate question of a deliberate social effort, we find, in the interval between those earlier times and the actual present day, an overlapping and interweaving of what is ancient and instinctive with what is new and conscious; and this state of things is no longer compatible with the needs of modern humanity. But to-day, in much social thought that is imagined to be deliberate and conscious the ancient instincts still live on; and, as a consequence, this thought is feeble and inadequate to cope with the facts and all that they demand. The men of to-day have deliberately to work their way out

of what has become worn-out and lifeless, and this involves a much more radical change than most people are aware of. It is only by a wholehearted readiness to recognize this fact that it is possible, so the writer thinks, for anyone to perceive exactly how the life of economics, of human rights, and of spirit should be ordered, in the way needed for a sound social structure such as the new age itself demands. In the following pages the author offers to the judgment of his contemporaries what he himself feels called on to say with regard to the form this order must take. His object in this work is simply to give an impulse along a road to social aims which are in unison with the realities and exigencies of modern life. For in the field of social endeavour it is only by such deliberate effort that we can get beyond Utopianism and wordy enthusiasms.

And if anyone thinks that this book itself has something of a Utopian character, the writer would beg him to reflect, how widely people nowadays depart from real

life in many of the conceptions which they form as to possible developments in social conditions, and what hallucinations they cherish. And this is the very reason why something drawn from actual reality and experience of life, in the way attempted in this book, is regarded as Utopian. To some people 'concrete ideas' are those which are familiar to them, while the really concrete is 'an abstraction' when the idea of it is unfamiliar; and they may accordingly find the following treatise 'abstract.' \*

Where people's thoughts are straitly harnessed to a party programme, what is

\* The author has deliberately avoided limiting himself strictly to the terms commonly used in the standard works of political economy. He could pick out the places which, from a technical point of view, will be called amateurish. But in choosing this particular method of exposition, he not only had in mind that he was addressing himself to people some of whom might not be versed in the literature on social and economic topics, but more especially that most of what seems technical in such literature will be shewn, in the time that is coming, to be narrow and incomplete even in the very terms of its expression.

here written will meet with no favour ; and of this the author is well aware. Yet he believes, that many members of the different parties will soon become convinced that the facts of human evolution have already far outstripped all party programmes, and that it is absolutely necessary to arrive at an independent judgment outside all programmes, when considering the immediate social goal towards which the will must be directed.

*April, 1919.*





# THE THREEFOLD STATE

## I

*The Social Question in its True Aspect,  
as it Presents Itself in the Life of  
the Modern World*

THE actual facts that emerge from the world-wide catastrophe of the war seem to reveal the social movement of our time in a new light. Do not these facts show how inadequate people's ideas have been for many years past about the aims of the workers? We are driven to ask ourselves this question, because what was until now repressed in the workers' aims, or in connection with them, has now forced its way to the front. The authority which was able to effect this repression has been partially destroyed. It would be impossible any longer to maintain the old relation between that authority and the social impulses by which

a great part of mankind are actuated. He who attempts to do so must have totally failed to recognize the indestructible character of such motive impulses in man.

The greatest misconception as to them has prevailed in the minds of many persons who, from their influential position, were able to affect the course of European events, and either to rein in or to urge on those forces which, in 1914, were hurrying us into the catastrophe. These people actually believed that a military victory by their country would suffice to allay the social unrest. They have been forced to recognize, that the tendencies at work in society are for the first time fully revealed as a result of the attitude they then adopted. The disaster which has to-day overtaken mankind is seen to be precisely that occurrence from which, historically speaking, these tendencies have received their full and final impetus. During these last few years on which the destinies of the world hung, the rulers and the ruling classes have been more and

more obliged to trim their sails in accordance with what was going on in those groups of mankind that inclined to Socialism. Very often they would gladly have acted otherwise, could they have afforded to disregard the spirit prevalent in those circles. The after-effects of this spirit live on in the form taken by the turn of events now.

Something that for long decades past has been at work in the slow evolution of the life of humanity has now reached a decisive stage; and now that this stage is attained a tragedy confronts us: Whilst the facts of to-day were gradually maturing, and in the process, certain ideas took shape; the facts are now here and with us in their full stature, but the ideas are not on a level with them. Many thinkers who had moulded their ideas on the lines of this evolutionary process, with the object of advancing it, in so far as they found in it a social ideal, are to-day practically helpless in the face of the inexorable problems presented by the accomplished facts.

Many of these people, it is true, still believe, that the things they have so long considered necessary to re-form the life of the world will of themselves be powerful enough, once realized, to cope with these clamorous facts, and to give them such a turn as shall make life not impossible. Some people still persist, even now, in imagining that the old state of things can be maintained against the existing demands of a large section of mankind. Such an opinion may be disregarded. We should rather examine what is in the minds of those who are convinced that a change in the social order is necessary. If we do so, we cannot but own to ourselves, that party theories go wandering amongst us like the animated corpses of outworn opinions, everywhere swept aside by the march of real events. Real events call for conclusions for which the old party theories have made no preparation. These parties certainly were evolved along with the facts; but they, together with their habits of thought, have not kept pace with the

facts. Without presumptuously hastening to condemn views that are still generally accredited, one may yet venture to think that the course of events throughout the world at this present time bears out what has here been said. And it is just the present time, therefore, that may be favourable to an attempt to indicate what in human life to-day is, from its special character, foreign to the habits of thought even of persons and parties of socialistic leanings. For it may well be, that the tragedy with which we are faced in the various attempts to solve the social question lies precisely in a misunderstanding of what the workers are really striving for,—a misunderstanding even on the part of persons who have sprung from the working-class movement and formed their opinions by it. For men by no means always judge their own aims aright.

And so we may feel justified in asking : What is the working-class movement of to-day really aiming at; and does this aim correspond to the common notions

about it, as conceived either by the workers themselves or by other people? Do people's thoughts about the social problem reveal that problem in its *true shape*? Or is it necessary to think along altogether different lines? This is a question one cannot approach with a free mind, unless fate has put one in a position to enter into the inner life of the workers of to-day, —especially of that portion of them who have most to do with shaping the actual social movement.

Much has been said about the evolution of modern applied science and modern capitalism, and how the working-class of to-day is the product of this evolution, and how its demands have arisen through the gradual development of the new economic life. There is much that is to the point in all that has been said in this direction; but it leaves out of count one decisive factor—a factor that cannot fail to be perceived, if one refuses to be hypnotized by the belief that it is external conditions which give the stamp to a man's life, and if one preserves an un-

clouded insight into those impulses that reside in the depths of the soul and work from within outwards. Undoubtedly the demands of the workers have been evolved during the age of modern applied science and modern capitalism; but the perception of this fact affords no key whatever to that something in these demands that is purely human in impulse. Nor, till one has got to the heart of this impulse, will one have reached the *real aspect* of the 'Social Question.'

There is a phrase current among the workers, that may well make a remarkable impression upon anyone who can read the more deeply-seated motives of human endeavour; and that is: The modern worker has become 'class-conscious.' He no longer obeys, to some extent instinctively and unconsciously, impulses received from classes other than his own. He recognizes himself as belonging to a class apart, and is determined that the connection which practical life establishes between his own and the other classes shall be turned to account in such a way



as to further his interests. Whoever is able to apprehend the undercurrents of men's souls will find that the expression 'class-conscious,' in the connection in which the modern worker uses it, puts him on the track of very important facts in the workers' conception of society, as formed by that section of them whose life lies inside the system of modern technical industry and modern capitalism. First of all, it will be noticed to what an extent the mind of the workers has been impressed and fired by scientific theories about the economic system and its bearing on the destinies of men. This touches on a subject concerning which many people, who are only able to think *about* the workers and not *with* them, have altogether hazy notions,—notions which are actually mischievous in view of the very grave facts of the present times. The theory that the 'uneducated' working man has had his head turned by Marxism and by the later developments of Marxism in the works of Labour writers—this and other views of the same

sort, that one frequently hears expressed, will not help one much further towards a comprehension of the subject, nor to that historic insight, so greatly needed to-day, into the actual state of things throughout the world. For, in expressing such an opinion, one only shows that one does not care to examine an essential factor of the modern social movement.

One such essential factor is that the class-consciousness of the workers is stocked with ideas which owe their character to the scientific trend of modern times. Their class consciousness is still dominated by the note struck in Lassalle's speech on 'Science and the Workers.' Such things may appear unreal to many persons who regard themselves as 'practical men,' but if one desires to attain to a really fruitful understanding of the modern working-class movement, it is absolutely necessary that one should turn one's attention to these things. For the demands put forward to-day by the workers, whether moderates or extremists, are not the reflection of the economic

life somehow transformed into human instincts, in the way often conceived; rather, they proceed from economic *science*, which has taken possession of the working class consciousness. This comes out so strongly in the current popular literature of the Labour Movement, and in its more scientific publications, that to deny it would be to shut one's eyes to the actual facts. The modern working man defines the subject matter of his class-consciousness in terms of scientific concepts. This is a fundamental fact, and one that conditions the whole social situation to-day. However far removed the man at the machine may be from scientific knowledge, yet he hears his own position explained to him by people who have drawn their methods of explanation from this science.

All the discussions and expositions about the modern economic system, about the machine age, about capitalism, may throw ever so instructive a light on the facts underlying the modern working-class movement. But the fact that directly and clearly illumines the actual

social situation is not that the worker is tied to the machine, that he is harnessed to the capitalist order of society, but that quite definite *thoughts* within his class-consciousness have been shaped at the machine and subject to the capitalist economic system. Possibly the prevailing habits of thought may make it difficult for a good many people to perceive the full bearing of this, and the stress laid on it may be thought to be merely a dialectical play on abstractions. To this we must reply : that if people are not able to see to the root of the matter, all the worse for any chance of their intervening with any good result in the affairs of modern life. Whoever wants to understand the working-class movement must first and foremost know how the working man *thinks*. For the labour movement, from its most moderate schemes of reform to its wildest excrescences, is not created by 'non-human forces'—by economic impulses,—but by human beings, by the conceptions and will-power of men.

## 12 THE THREEFOLD STATE

The conceptions and the purposes of the modern social movement do not reside in what has been grafted into the working-class consciousness by machinery and capitalism. It is because machinery and capitalism could give the working-man nothing to fill and satisfy his soul as a human being, that the working-class movement was driven to seek for its fount of inspiration in the direction of modern science. The craftsman of the Middle Ages found in his trade something to satisfy his sense of the dignity of human life. In the connection that he felt to exist between his trade and himself as a human being, there was something that enabled him to see his own life as a member of the whole human confraternity in a light that made it worth living. He was able to regard his own activities in such a way as to make them appear the realization of what, as a man, he desired to be. Tending a machine and subordinated to the capitalist order of things, the man was thrown back upon himself, upon his own inner life, when-

ever he tried to find some principle on the basis of which he might view himself as a man and form a conception of what a human being is. Technical industry and capitalism could contribute nothing to such a conception, and so it came to pass that the working-class consciousness, having lost the human link with actual life, turned towards lines of thought that were scientific in form. Now this happened just at the time when the leading classes of the community were working out a scientific mode of thought, which no longer retained such a spiritual driving power as might have enabled men to find the wherewithal to satisfy the whole of their nature. The old views of the universe represented man as a soul forming part of the spiritual scheme of things. As viewed by modern science, he lives as a fragment of nature within the confines of the natural world.

This science is not felt as a stream flowing into the soul of man from out of a spiritual world, and bearing up man as a soul with it in its course. Whatever

one's opinion as to the connection between the modern scientific form of thought and the motive forces of religion and all things of that nature, one must yet admit, from an impartial consideration of historic evolution, that the scientific mode of conception has been evolved out of a religious one. But the old views of the universe that were founded deep down upon a religious basis were not able to impart to the new scientific interpretation of the world their power to sustain the soul. They stood aside from the scientific interpretation, and lived on, cherishing an inner world where the soul of the workers could find no home. Such an inner world might still be of some value for the upper classes. In one way or another it was connected with the link between them, as men, and the station they filled in life. The upper classes did not seek for any new conception, because they still held fast to the old one, which had been transmitted to them in and through the course of life itself. Whereas the modern proletarian was torn from all

his old moorings. He is the man whose life has been put upon an entirely new basis, and for him, when the old bases of life were withdrawn, there disappeared also all possibility of drawing from the old spiritual sources. These sources lay within regions to which he was now a stranger. Along with modern technical methods and modern capitalism there was a contemporaneous development of the modern scientific spirit—in the sense in which one may speak of two great historic world-currents as contemporaneous. The confidence, the faith, of the modern working-class turned towards the scientific spirit. It was there that they sought that new conceptual world which they needed. But the working-class and the upper classes were situated differently with regard to the scientific spirit. The upper classes felt no necessity for adopting the scientific view of the world as their own conception of life, the pillar of their souls. They might be ever so permeated by the ‘scientific point of view,’ which establishes a direct chain of cause and



effect within the order of nature, from the lowest animals up to man ; yet this point of view never got beyond being a theoretic conviction. It never prompted them to let this conviction affect their emotional hold upon life, as it is calculated without exception to do. The naturalists Vogt, Büchner, who popularized natural science ;—these men were undoubtedly permeated by the scientific mode of thought, but alongside this scientific thought there was something at work in their souls that enabled them to keep their hold upon a scheme of life which can only consistently be justified by a belief in a spiritual order of the world. Lay aside preconceptions, and just imagine how differently the scientific spirit affects the man whose own existence is anchored in such a scheme of life, and the modern artizan who, in the few evening hours that he has free from work, hears the Labour agitator get up and address him somewhat as follows :—  
' Modern science has cured men of believing that they have their origin in spiritual

worlds. They are better informed nowadays, and know that in the far ages they scrambled about on trees in a most undignified manner. They have learned, too, that they all have the same origin, and that it is a purely natural one.' It was a scientific spirit that led to some such ideas as these, which met the modern working man when he was seeking for a conception that might fill his soul and enable him to feel what place he, as man, occupied in the life of the universe. He accepted this scientific spirit in all seriousness and without reservation, and drew from it his own conclusions about life. The age of technical science and capitalism took him differently from a member of the upper classes. The latter had his place within a system which still owed its form to creative forces in which the souls of men could find support. It was all to his interests to fit the achievements of the new age into this system of life. But the soul of the worker was divorced from the old system. It was not able to give him one emotion capable of enlightening

and filling his life with something worthy of his human nature. Of all that had come down to the worker from the old world order, and that could make him feel what man is, the only thing left, that seemed endowed with the power that inspires belief was :—the scientific mode of thought.

Many readers of these remarks will perhaps smile at the reference to the 'scientific' nature of the working-class view of life. He may smile, who only conceives the 'scientific spirit' as something that is acquired by many years' application on the benches of an educational institute, and then contrasts the 'scientific spirit' thus gained with the conceptions in the mind of the worker who has 'learned nothing.' What rouses his smiles are facts of modern life upon which the fate of the future hangs. These facts do show, however, that many a very learned man lives unscientifically, whereas the ignorant worker orders his plan of life in accordance with that scientific learning of which, may be,

nothing has fallen to his share. The educated man has taken up science; he keeps it in a special drawer in the interior of his soul; but he himself has his own place in a world order which is not directed according to science.

The circumstances of the worker's life lead him to conceive of existence in accordance with the spirit of this science. What the other classes call scientific thought may be quite foreign to him. Nevertheless, it is the scientific conception which sets the direction for his life's course. For the other classes, some religious, or aesthetic, or broadly spiritual principle is the determining element; for him 'science is the creed of life'—although it may often be science pushed to its most extravagant conclusions. Many a member of the leading classes feels himself to be 'enlightened,' a 'free-thinker.' No doubt scientific convictions enter into his view of the world, but in his emotional consciousness, unperceived by himself, still throbs the remnant of an inherited creed of life.

What the scientific type of thought has not taken over from the old scheme of things is the consciousness of being in its nature spiritual, and accordingly, rooted in a spiritual world. A member of the upper classes was able to get over this attitude of modern scientific thought, for his life was filled with old traditions. The worker could not do so, for his new circumstances had chased the old traditions from his soul. He took over the scientific point of view as his heritage from the ruling classes. This heritage became the basis of his conception of the nature of man. But the new thought-life within him was not aware of its origin in a real life of the spirit. The only vestige of spiritual life that the worker could inherit from the ruling classes denied its origin in the spirit.

I know very well how these ideas will affect both those non-workers and workers who believe themselves to have 'practical' experience of life, and who, so believing, will think the point of view here expressed quite remote from realities. But the

actual facts of the world as it exists to-day will more and more show this belief of theirs to be a delusion. Whoever is able to regard these facts without prejudice must perceive, that a view of life which only touches their external aspect becomes, ultimately, inaccessible to any conceptions except such as are altogether divorced from the facts. The ideas that have been uppermost have for so long been 'practical' in their avowed adhesion to the facts, that they no longer bear any resemblance whatever to the facts. The present world-wide disaster might be a good school of correction for many people in this respect. What did they think might come of it, and what actually has come of it? Is it to be the same with their thoughts about the social problem?

Again, I can hear the objection which some adherent of the Labour school of thought is making in his heart: 'Here is another man trying to side-track the real gist of the social question on to lines that promise to be smooth for the bourgeois type of mind.' A man of that creed does

not see the way in which fate has led to this working class existence of his, and how within this existence he is trying to find springs of action through a mode of thought inherited from the 'ruling classes.' He *lives* the life of the working class, but he *thinks* the thoughts of the bourgeoisie. But the new age is making it necessary, not only to find a new way of life, but also a new way of thought. The scientific mode of thought can only be converted into a soul-bearing principle when it evolves, after its own fashion, a creative power capable of informing the whole range of human life, such as was evolved by the old conceptions of the world after their fashion.

This points the path to be pursued in order to discover the true aspect of one element of which the modern working-class movement is composed. And, having got thus far, the worker's soul gives vent to the conviction: 'I am striving after a life of the spirit, and yet this spiritual life is empty ideology; it is merely the reflection within ourselves of the processes of the physical

world. It does not proceed from a distinct spiritual world.' The form which the old spiritual life has taken in its transition to the new age presents itself as 'ideology' in the worker's conception of life. Whoever wants to understand the feeling at the bottom of the worker's heart, as externalized in the social demands of labour, must grasp what the effects may be of regarding the spiritual life as ideology. It may be retorted: 'What does the average working man know of anything of the sort? Such a view is only a will-o'-the-wisp in the brains of their more or less educated leaders.' Anyone who speaks thus, is talking wide of real life, and his actions are wide of it too. He simply does not know what has been going on in the life of the workers during the last half century. He does not perceive the fine threads that connect the theory, that spiritual life is ideology, with the practical demands and actions of the socialist radical, whom he esteems so 'ignorant,' and with the activities of those who 'manufacture revolution' out



of the inarticulate promptings of the life within them.

Herein lies the tragedy that runs right through the study of the social requirements of to-day. There is in many quarters no comprehension for what is forcing itself up to the surface out of the souls of the masses. People cannot concentrate their attention on what is actually going on within men's hearts. With alarm the non-worker hears the worker setting forth his claims, and understands thus much: 'Only the communalisation of the means of production can make it possible for me to live in a way worthy of a man.' But he is quite unable to picture to himself, how his own class, in the transition period between the old and the new age, not only summoned the worker to toil at the means of production—which were not his—but failed also to give him anything to satisfy and sustain his soul in the labour. People whose thoughts and actions miss the mark in this way may reply—'After all, all that the worker wants is merely to change his situation in life

for one equal to that occupied by the ruling classes. What has that got to do with the needs of the soul ?' The worker himself may even assert—'I am not asking the other classes for anything for my soul. What I want is to make it impossible for them to go on exploiting me. I want to put an end to the existing class distinctions.' Speeches like these do not touch the heart of the social problem. They reveal nothing of its *true shape*. For if the working population had inherited from the leading classes such a genuine spiritual substance as would have informed their souls, then out of such a consciousness they would have formulated their social demands in quite a different way from the modern artisan, to whom such spiritual intelligence as he has received is mere ideology. The workers of to-day are persuaded of the ideologic character of the spiritual life ; but this persuasion renders them more and more unhappy. They are not definitely conscious of this unhappiness in their souls, but they feel it intensely, and its

effect on the social situation is vastly more significant than the demands for improvements in external conditions—right and reasonable as these too are, in their own line.

The ruling classes do not recognize that they are themselves the authors of that attitude of mind which now confronts them, militant, in the world of labour. And yet, they are the authors of it in this way, that out of their own spiritual life they have only been able to transmit to the working class what the worker is bound to feel as ideology.

The essential mark which stamps the social movement of to-day is not the demand for a change in the social position of one class of men, although of course, that is the obvious thing. Rather, it is *the way in which* this demand is translated from the thoughts of the workers into practical life. Consider the facts impartially from this point of view. We shall find persons, who hold that their thought embodies the current of the working-class movement, smiling at the idea of en-

deavouring in some spiritual way to contribute to the solution of the social problem. They dismiss it with a smile as ideology, as a castle in the air. In the mere life of thought and of the spirit, there is, they feel sure, nothing that can be of service to the burning social problems of our day. But, if we examine the matter more closely, we are forced to see how the very nerve, the very root impulse of the modern movement—the working-class movement—resides in *thoughts*, and not in the things about which the modern worker is talking.

The modern working class movement has its origin, as perhaps no other similar movement that ever existed, in thoughts. The more closely we study it, the more emphatically we see this to be true. I do not give this out as an *aperçu* resulting from study of the working-class movement. If I may venture on the following personal observation: I have for years given lessons on a variety of subjects in a Working Man's College to working men, and I think it has taught me what lives

and moves in the soul of the modern proletarian worker. From this starting point I have also had opportunity to trace the influences at work in the various trade unions and workers' unions. I mean, that I am not speaking merely from the point of view of theoretical reflection, but am saying what I believe to be the result of my own actual experience.

Whoever has got to know the labour movement where it is managed by the workers (and unfortunately, the leading intellectuals are so rarely in this position), knows how deeply significant it is that a certain trend of thought has taken overmastering possession of the souls of large numbers of men. The fact that there is so little possibility of the classes mutually understanding one another makes it very difficult at the present time for people to adopt any definite attitude towards immediate social problems. It is so hard to-day for the non-proletarian to imagine what is going on in the worker's mind. It is so hard for them to understand how

such a mode of presentation as Karl Marx's could penetrate the still fallow intelligence of the working class, seeing that (whatever may be one's opinion about its subject matter) it sets such a high standard to the demands of the human intellect.

One man may accept Karl Marx's system of thought, another may refute it, and both may very likely use arguments that are on the face of them equally sound. His system may be revised by people who regard society, since the death of Marx and of his friend Engels, from a standpoint that differs from that of these leaders. I am not talking about the *contents* of the Marxian system. It is not that which seems to me significant about the modern labour movement. What seems to me most significant is the fact *that the most powerful driving force in the world of labour is a system of thought*. One may go so far as to put it in this way : No practical movement, no movement concerned solely with life, and urging the most common daily needs of men, ever

before rested so completely upon a purely intellectual basis as this modern working-class movement. Indeed, it is to some extent the first of its kind in the world to take its stand solely on a scientific basis. Nevertheless, when one considers everything the modern worker has to say about his own ideas and aims and feelings, it does not seem to one, from a penetrating observation of life, to be by any means the thing of importance.

What cannot fail to appear as of real importance, is that what in other classes is kept in one special department of the inner world—the intellectual basis of the outlook on life—has in the worker's soul become the determining element for the whole man. The worker cannot consciously admit the inner reality of this thought-life in him. What prevents him from admitting it, is that the thought-life has been transmitted to him as ideology. He builds his life in reality upon thoughts, yet feels thoughts to be unreal ideology. Unless one perceives this fact in all its bearings at the back of modern human

evolution, one must fail to understand the working-class conception of the world and its practical expression in the actions of those who hold it.

From what has been said in the preceding pages about the modern worker's spiritual and intellectual life one may perceive that an account of this life must occupy the first place in the description of the working-class movement in its true form. For whatever the worker may feel to be the causes of his unsatisfactory position in the world, yet the way in which he apprehends and strives to remove these causes is directed on the lines of this same spiritual life. And yet, up to the present time, he can only reject with mockery or with anger the view, that in these spiritual foundations of the social movement there lies anything that can be regarded as a valuable creative force. How should he perceive that in the spiritual life there is a force that carries him onwards, since after all he must conceive of it as ideology? To a spiritual life thus conceived of,



one cannot look to find the way out of a state of society which one has resolved to endure no longer. As a consequence of his thought being thus fashioned on scientific lines, not only science itself, but art, religion, conventions, justice, are turned for the worker into departments of human ideology. In what stirs within these branches of the spirit's life, he catches no glimpse of a reality that breaks in upon his existence and that may contribute something to the daily material life.

To him these things are only a reflection, or a mirrored image, of this material life. They may, once they have arisen, react on the material life in a roundabout way through the concepts formed in the human brain, or by becoming part of the motive forces in the will. Nevertheless, they are ideologic images, emanating originally from the material life, and of themselves have nothing to give that can help to clear away these obstacles with which society is beset. Anything that is to the purpose must originate within the material processes themselves.

The spiritual life of to-day has been passed on from the leading classes of mankind to the proletariat in a shape which totally precludes the latter from taking any account of it, when considering what forces can be brought to bear on the solution of the social problem. If this continued to be so, then the spiritual life of mankind would find itself condemned to impotence in all that concerns the social needs of to-day and to-morrow. Indeed, the conviction of this impotence is firmly rooted in the minds of a great part of the working class, and finds its expression in Marxism and similar doctrines. Modern economic life, they say, has out of its older forms evolved modern capitalism. The course of the evolution has brought the working class into a relation towards capital which they find unendurable. The evolutionary process will go further. It will destroy capitalism through the forces that reside in capitalism itself ; and from the death of capitalism will be born the emancipation of the workers. This belief has by more recent

socialist thinkers been divested of the fatalism which characterized it among a certain school of Marxians. But the essential thing remains :—it will *not* enter the head of anyone who to-day is thinking on strictly socialist lines to say : ‘ Supposing we find anywhere signs that there is a life of the soul, having its source in the spirit of the times, bearing mankind up and on with it as it goes, and rooted in a spiritual reality, then from this soul life may radiate the force which shall give the right impulse to the social movement also.’

The fact that the man\* of to-day who is forced to live as a proletarian can cherish no such expectation from the spiritual life of to-day—it is this that gives the colour to his whole soul. He needs a spiritual life from which power shall flow that shall endow his soul with a sense of its human dignity. For at the time when he was yoked to the industrial capitalist order of the new age, he, with

\* *Translator's Note* : Here, as elsewhere throughout the book, *Mensch*, without differentiation of sex,

all the deepest needs of his soul, was thrown back upon such a life of the spirit. But the spiritual life, transmitted to him by the leading classes as ideology, left his soul void. The socialistic movement of to-day owes its direction and force to the fact that the claims put forward by the modern worker are animated by a yearning for some link with the spiritual life other than what modern social life can give him. But this fact is not rightly apprehended, either by the proletarian or by the non-proletarian. For the non-proletarian does not suffer from the ideologic cast of modern spiritual life, which is of his own making. The proletarian does suffer from it ; but this same ideologic character of his inherited spiritual life robs him of all belief that there is a living power in spiritual possessions as such.

It depends upon a right insight into this fact, whether a road is discovered to guide men out of the modern social labyrinth. The social order that arose under the influence of the ruling classes, at the time when modern industrialism

was evolved, has closed the access to such a road. *The power to open it must be found.*

People will think quite differently from what they do now about matters of this sort, when once they come to see aright the importance of the fact, that a human community in which the spiritual life acts as ideology lacks one of the forces by which the social organism lives. Ours to-day suffers from impotence of the spiritual life; and the disease is made worse because people will not recognize its existence. Once they recognize it, there will be a solid basis on which ideas may be developed that are in consonance with the social movement.

At present, the worker imagines that he has hit upon a fundamental force within his soul when he talks of his *class consciousness*. But the truth is that ever since he has been yoked to the capitalist industrial system he has been seeking for a spiritual life that should bear up his soul and give him a *human consciousness*—a consciousness of his dignity as a man; and this he cannot evolve out of a spiritual

life that is felt as ideology. This is the consciousness he was looking for; and when he could not find it, he replaced it by a class-consciousness born of the economic life.

His attention, as though by some irresistible force of suggestion, has been riveted to the economic life; and now he no longer believes that anywhere else, in any world of the spirit or the soul, a force can reside capable of giving an impulse to what he regards as the inevitable developments of the social movement. He believes only, that in the evolution of an economic life devoid of soul and spirit that particular state of things can be brought about which he feels to be consistent with the dignity of man. Thus he is impelled to seek his welfare in a re-organization of the economic life alone. He is driven to think that a mere re-organization of the economic life would cause all those evils to disappear which have arisen from private enterprise, from the selfishness of the individual employer and from the individual em-

ployer's powerlessness to do justice to the employee's pretensions to human dignity. And so the modern proletarian has come to think, that the only salvation for society lies in converting all private ownership of the means of production into communal industry, or actual communal property. Such an opinion has arisen, because attention has to some extent been diverted from all that relates to the soul and the spirit, and directed only to the purely economic processes.

Thus a very remarkable thing has come about, and one that shows how much in the modern working-class movement is paradoxical. The worker of the present day believes that economic evolution, the evolution of economic life, is bound to take such a course that he will in the end attain to his full rights as man. It is for the rights of man in their entirety that he is fighting. But in the very midst of his struggle something comes to light which never can be the outcome of the economic life alone. It is a significant fact, and one that speaks a most impressive

language, that right at the very heart of the various forms of the social problem, as shaped by the life-needs of the men of modern times, there is something that they believe to have arisen out of the economic life itself, but which could not possibly have arisen out of the economic life alone—something that lies rather in the direct line of evolution running on from the old slave age, through the serfdom of the feudal age, down to the modern proletariat. Let the goods market, the money currency, the system of capital and property, the system of land and holdings, have taken what form they may,—yet right inside our modern life something has evolved itself which is not clearly formulated nor consciously felt by the worker, which yet is the peculiar fundamental impulse behind his social strivings. It is this: At bottom the modern capitalist system, within its own sphere, only recognizes *commodities*. It recognizes the rise and fall in the value of commodities within the economic system. Now within the capitalist system of



modern times something has become a commodity about which the worker to-day feels: This must *not* be a commodity.

In the instincts, in the sub-conscious feeling of the modern worker, there is a repugnance at having to sell his labour power to an employer as one sells goods in the market. It is repugnant to him that, just as goods in the market are subject to the law of supply and demand, so his labour power plays a part in the labour market and is valued by supply and demand. Let it be understood what a powerful effect this has as one of the fundamental driving impulses of the whole social movement in the modern labour world. Let it be clearly seen, that there is something at work here which is not expressed emphatically and drastically enough even in socialist doctrines. Let it be realized, what a part this repugnance to the 'labour-power-commodity' plays in the social movement of to-day. Then, in addition to the first active cause—a spiritual life felt as ideology—we arrive at the second, and it is this which is

emphatically making the social question a pressing, a burning one.

Formerly there were slaves. The whole man was sold as a commodity. Serfdom incorporated in the economic system a smaller portion of him, but still a part of the human being. Capitalism has now come into power, and under its sway a remnant of man's being still bears the character of a commodity; his labour-power. I do not mean that attention has not been drawn to this fact. On the contrary, it is recognized as a fundamental one in the social life of modern times. It is felt to be something that has a powerful influence on the modern social movement. But in considering it, people direct their attention solely to the economic field; and the fact that labour-power plays the part of a commodity becomes a mere question of economics. People think, that from the economic world itself must come the forces which shall create conditions where the worker shall no longer feel the part played by his labour-power in the social organism to be dero-

gatory. They see how the modern economic system came about historically in the modern evolution of mankind. They see too, that the economic system has stamped human labour power with the character of a commodity. But they do not see that it is the economic life itself which of necessity turns into a commodity everything that forms part of it. The economic life consists in the production and useful consumption of commodities. It is not possible to divest human labour-power of the character of a commodity, unless one finds some way of detaching it from the economic processes.

It is of no use to direct one's endeavours to so re-organizing the economic processes that human labour may come into its own within the economic field. Rather we must ask: How can labour-power be withdrawn from the field of economics, and directed by social forces that shall divest it of the character of a commodity? The worker aims at conditions of economic life within which his labour-power shall find its proper place. He does so, not

seeing, that it is because of his wholesale incorporation in the economic processes that his labour bears the character of a commodity. Having to surrender his labour-power to these processes, the whole man himself is absorbed into them. It is the proper nature of the economic process to endeavour to consume labour-power in the most useful manner, just as it consumes commodities; and people, as if hypnotized by the power of the modern economic life, fix their eyes only on what can go on inside it. They may look for ever in this direction without finding out how labour power can cease to be a commodity. For a different economic organization will only make labour power a commodity in a different kind of way. The true aspect of the labour question as part of the whole social question will not be seen, until it is recognized, that within the economic life the production of commodities, the exchange of commodities, and the consumption of commodities take place according to laws determined by interests

whose dominion must not be extended to cover human labour power.

A proper distinction has not been drawn in the thought of to-day between two very different processes. On the one hand, there is involved in the economic life a thing that is closely bound up with the human being—that is, a man's labour-power; while on the other it involves things that are in essence detached from the human being, and that circulate along the paths which commodities are bound to travel from their production to their consumption. Sound thinking on these lines will reveal the question of labour power in its true form; and then it will become clear, what position the economic life ought to occupy in a healthy social organism.

From this it already appears, that the social question falls into three separate questions. The first will suggest how the spiritual life can take healthy shape within the social organism. The second will consider how human labour power can justly be interwoven with the life

of the commonwealth; and thirdly, it will be possible to determine in what way the economic life will function within that commonwealth.

## II

### *What actual Life demands for the Solution of Social Problems and Social Needs*

THERE is then one distinguishing characteristic of the conditions that have resulted in the peculiar form assumed by the social problem to-day. We may express it thus :

Economic life, founded in modern technical science—that, with modern capitalism, acted in a sort of natural, automatic way, and so introduced a certain order into modern social life. Not only was mankind's attention absorbed in what modern technical science and capitalism brought with them, but it was at the same time diverted from other branches, other parts of the body social,—branches and parts whose functions equally require direction from the conscious human intelligence, if the body social is to be a healthy one.

In order to make plain what I am about to characterize as the very fountain-head of a comprehensive, all-round study of the social problem, I may be permitted to use a comparison. It must be noted, however, that it is merely a comparison, intended for nothing more than to direct human understanding into the channel necessary in order to appreciate the processes by which the body social is kept in health.

Whoever, from the point of view represented here, sets out to contemplate that most intricate of all natural organisms the human body, is bound to observe, that the whole manner of its being arises out of the fact that it presents three systems, operating side by side, each in some sort independently of the other two. They may be distinguished somewhat as follows :

In the natural human organism there is that system which comprises the life of the nerves and senses. This works as a province by itself. Since its most important part is the head, which forms



as it were a co-ordinating centre for the life of the nerves and senses, we may call this the *head-system*.

As the second member of the human organism we must, if we wish to attain to any real insight into its workings, distinguish all that has to do with the breathing, circulation of the blood, etc. I shall call this the *rhythmic system*. It covers whatever finds expression in rhythmic processes within the human body.

Our third system will then be found to consist of all those organs and activities that have to do with the actual *transformation of material*. These three systems comprise all that, interacting and interweaving in proper order, serves to the healthy maintenance of the whole human complex.

In my book, *Problems of the Soul* (*‘Von Seelenrätseln’*), I have endeavoured to describe this threefold organization of the human body in full accordance with all that Natural Science has as yet to say on the subject; though it was only possible

there to sketch it in outline. I am quite clear that all the discoveries of biology, physiology, of natural science in short, will—in so far as they relate to man—tend in the immediate future directly towards this point of view. It will then be perceived, that it is by working with a certain independence of each other that these three departments of the human body—the head, the circulatory (or chest), and the digestive systems—keep the whole complex going. It will be clear that absolute centralization does *not* exist in the human body; but rather that each of its three systems has its own separate, autonomous relation with the outer world,—the head system by means of the senses, the circulatory or rhythmic system through the respiration, and the digestive system through the organs of nourishment.

I have tried here, in dealing with natural science, to apply those principles of spiritual science which lie at its root. Natural science methods have not yet advanced quite to the point where the

view here given will become universally accepted in scientific circles, desirable as this might be for the advancement of knowledge. Now this means that our habit of thought, our whole way of picturing the world, is not yet fully suited to the inner reality of nature's workings, as shown, for example, within the human body.

Of course it may be said :—" All right, natural science can afford to wait. She goes forward step by step in pursuit of her ideals. Points of view such as you indicate will be reached all in good time." But the body social cannot afford to wait, neither for the right point of view nor for the right method of action. Not only amongst a handful of experts here and there, but in every single human soul—since every human soul plays a part in the development of the body social—there must at the very least be an instinctive perception of what is needful for the body social. Healthy ideas and perceptions, healthy purposes and desires with regard to the form to be given to society can only

be evolved if one sees quite clearly, though may be only more or less instinctively, that for the body social to be healthy it must be threefold, just as the natural human body is.

Now since Schäffle wrote his book on the structure of the social organism, all manner of far-fetched analogies have been drawn between the organism of a natural being—of man for instance—and human society. People have tried to map out the body social into the cells, tissues; cell-structures, and so forth.

Only a little while ago there was a book published by Merey, *World-mutation*, in which various facts and principles of natural science were simply transferred—that at least was the idea—to the organized human community. With all this sort of thing, this juggling with analogies, what is here intended has nothing whatever to do. And if anyone fancies that these remarks are only another instance of the same thing, playing again upon some analogy between the natural human body and the body social, then it

only shows that he has not entered into the spirit of what is here meant. The object of this present comparison is not to transplant into the region of social life truths that hold good for the facts of natural science, but something very different; namely, that men's thoughts and perceptions should, from the contemplation of the natural bodily organism, learn to recognize those conditions on which life depends, so that they may then be able to apply this mode of perception to the body social. If one simply transfers to the body social what one imagines oneself to have learned about the natural human body—as is so often done—then it only shows that one will not take the same trouble in the case of the social organism as is needed in the case of a natural organism, to acquire the faculties necessary for studying it as a thing by itself, having, equally with a natural organism, its own peculiar laws. When one really adopts the same attitude towards the social organism as the scientist adopts towards natural organisms, and

prepares to study it objectively as an independent entity, with the object of discovering the laws by which it is governed, then the enquiry becomes so serious that there ceases to be any question of playing with analogies.

It may again be imagined, that what is here presented is based on the belief that organized society should be 'built up' on the pattern of some hard-and-fast theory copied from natural science. Nothing could be further from what is here proposed. The historical crisis with which mankind is faced to-day requires that *every single human being should develop certain perceptions*; and that the development of such perceptions should receive the same sort of encouragement from the educational system and in schools as is given to the study of the first principles of arithmetic.

What has hitherto evolved the old forms of the body social without men's conscious participation will in the future no longer be operative. From now onwards, new evolutionary impulses are

seeking to find their way into the life of mankind; and it is in the spirit of this new evolution that every individual should be expected to have these instinctive perceptions, just as he has long been expected to have a certain amount of schooling. What is required of men henceforth, is that they should acquire a sound instinctive perception of how the forces within the body social must work in order to keep it in vigour. A feeling must become inherent, that it is unhealthy and anti-social not to be willing to take one's place in the social order, trained in these perceptions.

Nowadays one hears talk of 'socialization' as being the thing that the age needs. Socialization will prove no cure for the body social, but a mere quack remedy, perhaps even a fatal one, unless men's hearts and minds learn, at least instinctively, to recognize the necessity for a *threefold organization of the body social*. The body social, if it is to function healthily, has got to evolve its three organic parts.

The economic life is one of these three parts. It is the one which we will first consider here, because it is quite obvious, that, at present, through modern technical science and modern capitalism, it has become the dominating element in society. This economic life must constitute an independent province all to itself within the body social, relatively as independent as the nerve and sensory system is within the human body. The business of this economic life is to deal with whatever is production of commodities, circulation of commodities, consumption of commodities.

The second branch of the body social is to be found in the life of common rights,—political life, strictly speaking,—all that might be denoted as properly appertaining to the life of the state, in the sense of the old equity state, the body politic. Whilst the economic life has to do with everything that man needs for his own life,—whether he draws it straight from nature or manufactures it himself—with commodities and the circulation



and consumption of commodities, this second branch of the body social can only have to do with everything that concerns man's relation to man, on a basis that is purely human.

In order to recognize the different parts of the body social, it is absolutely essential to know what is the distinctive mark of this equity system, and that it can only deal with human relations according to purely human principles. We must be able to distinguish this from the economic system, which is concerned with commodities alone, their production, distribution, and consumption. In actual life one must have a sense for these distinctions such as shall result in a practical differentiation of the economic life and the civic life of rights; just as in the natural human body the activities of the lungs in working up the outer air are differentiated from the processes going on in the life of the nerves and senses.

The third branch must take a no less independent place alongside the two others. In the body social it must comprise all

that concerns the life of the mind and spirit. 'Spiritual culture' or, Everything that has to do with the spiritual life, would certainly not express it accurately. More correctly one might say, that it includes everything that rests upon the natural aptitudes of the private individual, everything that must play a part in the body social, by reason of these natural aptitudes of the individual human being, whether these aptitudes be qualities of mind or body.

Just as the first, the economic system, has to do with everything which is requisite for man's regulation of his material relations with the external world, whilst the second system must deal with all that is made necessary in social life by the relations between man and man, so the third system has to do with all that of necessity proceeds from the individual and must of necessity find its way from the human personality into the structure of the body social.

The more true it is that our social life has in modern times received its stamp

from modern technical science and capitalism, all the more necessary is it that the injuries thus unavoidably dealt to human society should be healed by bringing the individual man and the common life of men into right relation with what we have called the three branches of the body social. The economic life has all by itself assumed in modern times quite definite forms. Through a one-sided activity it has acquired a peculiarly powerful share in human affairs. The other two branches of social life have hitherto not had the same opportunity for becoming naturally incorporated with the body social in the right way, and in accordance with their own laws. Man must come to their assistance; and, starting from the perceptions indicated, each individual, in the place which he happens to occupy, must set to work to develop the threefold social organism. Efforts such as are here described for the solution of social problems will leave no single human being without a social task to perform now and in the immediate future.

The first branch of the body social, the economic life, rests directly upon the underlying possibilities of nature; just as a man depends upon the endowment of his spiritual and physical organism for what he can become by study, by education and the experience of life. This nature-basis simply sets its stamp upon the economic life, and, through this, on the whole body social. Nevertheless, it is there; and not any social organization, no amount of socialization can radically touch it. It lies of necessity at the foundation of society's life; just as in a man's education one must assume a basis of natural endowment of various kinds; his physical and spiritual character must provide the soil on which to build. In every attempt at socialization, in every effort to re-organize the family-life of mankind on sound economic lines, account must be taken of the underlying properties of nature. Right at the bottom of all distribution of commodities and of all human labour, and of every sort of spiritual civilization too, there lies

something primary, elemental, basic, which links men to some particular bit of nature.

This connection between the body social and the underlying natural conditions needs to be studied; just as when considering the education of any individual it is necessary to study how he is conditioned by his natural capacity. It is easiest to see this in extreme cases. One has only to reflect for instance that in certain parts of the earth where the banana provides an easily accessible form of food, in considering the social life of men, regard must be had to the labour required to carry the banana from the place in which it grows to some other, and there to turn it into an article of food. If we compare the human labour, that is requisite to convert the banana into food for the community, with the labour that must be expended where we are, in Central Europe, in order to make wheat fit for consumption, we shall find that the work required is at least three hundred times less for the banana than for the wheat.

Of course, that is an extreme case ; but in those branches of production too, that are to be found in any European community, there are similar differences,—there is always a connection between the underlying conditions of nature and the amount of labour requisite. The differences are not so extreme as in the case of bananas and wheat, but they do exist. It is accordingly a permanent factor in the economic system, that the amount of labour which man has to put into the economic processes is conditioned by his relation to the nature-basis of his economic activities. One need, for instance, only compare the wheat yields. In Germany, in districts of average fertility, the wheat crops yield about seven or eight-fold the amount sown. In Chili the yield is twelve-fold ; in North Mexico seventeen-fold ; in Peru twenty-fold (*cf.* Jentsch, *Volkswirtschaftslehre*, p. 64).

This living complex whole, manifesting itself in processes, that begin in man's relation to nature, and continue through all man has to do to transform nature's

products down to the point where they are ready for consumption,—these processes, and these alone, are for any healthy organic society comprised within the economic system. In the body social this economic system takes the place which is taken in the human body as a whole by the head system, in which the natural capacities are individually conditioned. But just as the head system depends upon the lung and heart system (the rhythmic system), so the economic system is dependent on the services of human labour. But the head cannot independently regulate the breathing; and similarly the human labour system ought not to be controlled by the identical forces which find play in the economic life.

It is by his interests, founded in the needs of the soul and spirit, that man is involved in the economic life. What is the best way of meeting these needs within organized society, so that the individual may through the organized social life succeed in satisfying his interests in the best possible way, whilst himself

contributing as advantageously as possible to its general economy,—this is a question that has to be practically solved in the ordering of the body economic. This can only be achieved if these interests are really able to make themselves freely felt, and if also the will and power arise, to do what is needed for their satisfaction. These interests have their origin outside the confines of the economic life. As man's soul and his physical self unfold, these interests take shape. Arrangements must be provided for their satisfaction, and that is the business of the economic life. These arrangements can deal with nothing beyond the supply and exchange of commodities, that is, of goods whose value is due to human needs. A commodity gets its value from the person who uses it; and by reason that its value comes from the user, a commodity holds quite a different position within the body social from other things that have a value for man as a member of the body social. Whoever honestly considers the economic life, which comprises in



its province the production, exchange and use of commodities, will not only become aware of the essential difference between that relation of man to man, which arises when one produces commodities for another, and that which is essentially a relation of right : he will not stop short at perceiving this ; but will insist, that in actual practice the province of equity should be kept quite distinct in the body social from the province of economics.

It is not from those activities which men have to develop in the institutions devoted to the production and exchange of commodities that the best possible stimulus can directly arise for those relations of equity that must exist among men. Within the economic sphere man turns to his fellow because it suits their mutual interest. Absolutely different is the relation between man and man within the sphere of equity.

It might perhaps be thought that we had done all that life demanded towards recognizing this distinction, if, within those institutions created for the economic

life, we also made provision for those rights, those claims of justice, which must be maintained in the relations of the men engaged in this economic life. Such a belief has no foundation in fact. Men can only fitly experience and practise the relation of right that must subsist between them and their fellows, when this experience is removed from the actual field of economics and transferred to quite independent ground. Therefore, in a healthy society, alongside the economic life, but independently of it, another life must grow up, where the rights of man to man can find their sphere and jurisdiction. This life of equity belongs, however, properly to the field of politics—the State. If men introduce those interests, which they have to serve in their economic life, into the legislature and administration of the equity-state, then the standards of right so created will only be the expression of these economic interests. If the equity-state itself takes on the management of economic affairs, then it loses the capacity to rule within the sphere of human equity ;

its measures and institutions will necessarily be directed to serving men's need for commodities, and they will thereby be forcibly turned aside from those impulses which make for the life of equity.

A second member is thus needed, alongside the body-economic, in a healthy organized society; and this member is the independent political state. Within the independent body-economic men will, by virtue of their economic life, evolve the institutions most serviceable to the production and exchange of commodities. Within the body-politic, institutions will arise most suitable for directing the mutual relations of men and groups of men, in accordance with man's sense of equity.

The demand here put forward, that the equity-state should be completely severed from the sphere of economics, represents a point of view that is founded in real life, unlike that adopted by those who seek to combine the life of equity and the life of economics. Men engaged in the economic life of course possess the sense of equity; but when they have to decide on matters

of legislation and administration within an equity-state which as such has no connection with economic life, they will apply *only* their sense of right to settle these matters in a spirit of equity ; they will not bring economic interests into consideration. Such an equity-state has its own legislative and administrative bodies, both built up on principles that are the outcome of the modern sense of right. This equity-state will have its foundation in those tendencies in the human consciousness which are now called democratic. In the economic sphere, it is the tendencies of industrial and economic life which will determine the formation of the legislative and administrative councils. The necessary transactions between the executive of the equity-state and the body economic will be carried on pretty much as those between the governments of sovereign States at present. Such a division will make it possible for developments in one of these bodies to exert the requisite influence on what is taking place in the other. This influence is trammelled when

one sphere attempts to evolve within itself what should be supplied to it from the other.

Just as the economic life is on the one hand subject to the conditions of nature (climate, geographical features of the district, presence of mineral wealth, etc.), so on the other hand it is dependent on those relations of equity which the state establishes between the men or groups of men engaged in economic work. This fixes the limits by which the economic life can and must be bounded. Just as nature creates preliminary conditions which lie beyond the economic field and must be accepted by industrial man as the given premises on which he has to build up his economic structure, so everything that in the economic sphere forms the basis of an equitable relation between man and man, must in a healthy body social be regulated by the equity state, which, like the given conditions of nature must carry on its own life as something independent of and in contrast to the economic life.

In the course which mankind's historic evolution has taken hitherto, a body social has grown up which, through the machine age and the modern form of capitalist industry, gives to the social movement its present character; and in this body social the economic life has usurped more than would be its proper ~~domain~~ in a healthy organism. At the present time, within the economic cycle, where only commodities should find a place, we find also labour power and human rights. At present, within the body economic that is founded on division of labour, we find not only commodities bartered for commodities, but commodities bartered also for labour, and trucked against human rights,—and all by the very same economic process. (By *commodity* I mean, anything which through human activities has acquired the form in which it is finally destined for consumption in whatever place it has been transported to by men's labour. This definition may seem to some political economists to be objectionable or inade-

quate; nevertheless it may prove of practical assistance towards understanding what properly falls within the domain of the economic life.) If anyone by purchase obtains a plot of land, this may be considered as an exchange of the plot for commodities of which the purchase money is the symbol of value. But the plot of land does not itself function as a ~~com-~~modity within the economic life. It has its place within the body social through the *right* which the man possesses to use it. The right of the owner to this plot of land is something essentially different from the relation of a producer to the commodity that he produces. It is of the essence of this latter kind of relation that it remains absolutely distinct from the quite different human connection that arises, when the exclusive use of a piece of land is conceded to somebody. For by this concession he is enabled to bring other men into a state of dependence upon himself,—when for the sake of a livelihood they are engaged by him to work on the piece of land, or are obliged

to live there. A mutual exchange, between producers and consumers, of genuine commodities does not give rise to a state of dependence that affects men's relations to each other in the same kind of way.

Whoever brings an unprejudiced mind to bear on an actual fact of life such as this, will see, that it must find proper ~~expression~~ in the arrangements of any healthy society. So long as commodities are exchanged for commodities in the process of economic life, the value of these commodities does not become dependent on relations of right between persons or groups of persons. But directly commodities are exchanged for rights, then the relation of human rights is itself affected. The exchange *per se* is not the important point. This exchange of commodities for rights is a vital necessity for the modern body social, built up as it is upon division of labour. The point is this: that if the principles of right are developed within the economic sphere itself, then the exchange of a right for a commodity



turns right itself into a commodity. This can only be prevented by having separate institutions within the body social. On the one side there must be arrangements *solely* directed to working the whole cycle of production and exchange of commodities in the most useful way possible; and again there must be others, whose business it is to determine those human rights ~~of~~ the producers, dealers, and consumers which arise in the process of exchanging commodities. These rights are in no way essentially different from other rights that are bound to exist in personal relations which have nothing to do with the exchange of commodities. If I injure or benefit my fellow-man by the sale of a commodity, it falls within the same category of social life as an injury or benefit that arises from some activity, or negligence, not directly represented by an exchange of commodities.

In the life and conduct of the individual there is a blending of the two currents: that which has its source in the domain of equity, and that which proceeds from

purely economic activities. In a healthy organic society, the two must flow from different directions. In the economic organization, the familiarity with a particular industry, that is acquired by education, and that which comes from actual practice, must both contribute the points of view needful for those who have the ~~direction~~ of affairs. In the institutions of equity, practical expression will be given by the laws and administration to what men's sense of right demands in the relations between individuals or groups. The economic organization will encourage the formation of associations composed of men, who by their trade or as consumers, have the same interests, or whose wants in some other respect are similar; and these associations will mutually cooperate to carry on the whole business of the economic state. The economic state will build upon a basis of association and upon the mutual relations between associations. The activities developed by these associations will be purely economic and industrial in character. Those prin-

ciples of rights and equity upon which they work will come to them from the equity-state. When these industrial interests are able to make their special claims felt in the representative and administrative bodies of the industrial economic institutions, then they will not feel driven to permeate the legislature and executive of the equity-state (as ~~a~~ a 'Landowners' League,' 'Manufacturers' Party,' etc., or as Social Democracy in its economic aspect), in order there to work for objects which they have no means of attaining within the economic sphere. And if the equity-state is not itself involved in any branch of economic enterprise, then the arrangements it makes will arise only from its members' sense of right. The representatives in the equity-state may, and very obviously will, be persons who are taking an active part in the economic and industrial world. Owning, however, to the radical separation of the spheres of economics and equity, the economic life will be able to exert no such influence upon the life of equity as to

undermine the health of the body social—in the way it can be undermined, when the political state itself takes over the control of branches of the economic and industrial life, with representatives of the economic world upon it, who make laws to suit the economic interest.

A typical example of the fusion of the economic and political life is afforded by Austria. According to the constitution adopted by Austria in the eighteen-sixties, the representatives of the Reichsrat were chosen from the four branches of her economic life: viz.: the corporation of landed proprietors, chambers of commerce, towns, markets, and industrial centres, and the rural councils. It is obvious, that in this composition of the representative body the paramount idea was, that, if effective representation were given to the various economic statuses, a just and right form of political life would ensue as a matter of course. No doubt the differentiating forces within her various nationalities have largely contributed to Austria's downfall. But it may

be held no less certain, that if a political equity-state had existed as a separate organization, which could have developed its activities independently of and alongside those of the economic state, then, out of the sense of human right, it would have evolved such a form of the body social that the various races could have managed to live together within it.

In the present day, people interested in public life usually direct their attention to matters which concern it only in the second degree. They do so, because their habit of thought leads them to picture the body social as homogeneous in its form. But for such a form of society as this no suitable method of suffrage can be contrived. For in such a homogeneous organization, whatever the electoral system, the economic interests and the interests of human rights must clash within the representative body, and the influence in social life of this war of motives must result in social upheavals. The foremost aim of public life to-day must be to work out a radical separation between the

economic life and the institutions of human rights. And as this separation becomes established in practice, each of the two organizations will, in the process, discover its own most appropriate form of suffrage for the election of its legislators and administrators. But in the problems that are forced on our consideration to-day, forms of suffrage and questions of that kind, though in themselves of fundamental importance, come second in point of urgency. The old conditions, where they still prevail, can be used as a groundwork for the proposed differentiation. Where old forms have already been dissolved, or are in process of dissolution, individuals or groups should find the initiative to create new forms of organization which will develop further in the direction indicated. To imagine that in twenty-four hours a transformation can be effected in public life, is recognized by prudent socialists themselves to be a delusion. They rather look to effect their regeneration of society through gradual and appropriate transformations. But for

any impartial observer, the facts of to-day speak an unmistakable language, and demonstrate, that the evolutionary forces that are shaping the history of mankind make it absolutely necessary to concentrate thought and will upon the formation of a new social order.

Whoever regards as 'practicable' only such things as he has grown used ~~to~~ from the confines of a limited experience will dismiss these suggestions as 'unpractical.' Unless he changes his opinion, and if he retains any influence in public life, he will tend to increase the sickness of the body social rather than to heal it; even as people of his way of thinking have already helped to bring about the present state of affairs.

Following the initiative of leading sections, the state has already absorbed into its own life the management of various branches of economic industry (post-office, railways, etc.). This movement must give way to the opposite one:—the elimination of all industrial economic business from the domain of the state

as a political body. Thinkers who imagine that their aims are in the direction of a healthy social organism, pursue to its logical conclusion this course of state nationalization, which was initiated by those who have hitherto held the reins. They want to communalize all the material processes of economic life in so far as they are means of production. But a sound method of evolution will give independence to the economic life, and to the political state the means of bringing its equity institutions to bear upon the economic world in such a way, that individuals shall not find their sense of right and justice in conflict with their own position within the body social.

That the ideas here set forth have their roots in actual life is plain, if we consider the work which men do for the body social by means of their physical power of labour. The position which human labour takes in the social order to-day under capitalism is such that labour is bought like a commodity by the employer from the employed. An exchange is effected



between money (as representing commodities) and labour. But such an exchange cannot really take place; it only *seems* to do so. What really happens is that the employer takes in exchange from the worker other commodities that can only be produced if the worker devotes his powers of labour to producing them. Of the value of the commodities so produced, the worker receives one portion and the employer the other. The production of these commodities is the outcome of co-operation between the employer and the employed. It is this produce of their joint activity which first comes into the cycle of economic life. Its production involves a relation of right or equity between the worker and the contractor. But the capitalist economic system is able to change this relation of equity into one that is determined by the superiority of economic power possessed by the employer over the employed. In a healthily organized society it will be manifest that labour cannot be paid for. Labour cannot have an economic price allotted to it

as a set-off against a commodity. It is only the commodity produced by labour which has an economic value when set off against other commodities. The way in which a man is to work for the community, and the amount of work he is to contribute, must be regulated by considerations of his personal capacity and the conditions of a decent human existence. And for this to be so the control must originate with the political state, in complete independence of economic administration.

Under such a system, commodities would acquire a basis of value comparable to that which they get from the conditions of nature. The value of one commodity is enhanced with respect to another, in proportion as its raw material is more difficult to obtain than the raw material of the other; and similarly, the value of a commodity must be dependent on the nature and amount of the work by which it can be produced under a system of equity.

In this way the economic life will be

subject to inevitable conditions on two sides. On the one, there is the existent basis of natural conditions—which has to be accepted as man finds it—and on the other, the basis of equity, *which has got to be created* out of the sense of right and justice within the domain of a political state detached from the economic life.

It is easy to see that, if society be carried on in this way, economic prosperity will rise and fall with the amount of labour which the communal sense of right expends upon it. It is, however, necessary in a healthy, organized society, that the economic prosperity of the community should be so dependent. For only this can prevent a man being so used up by the economic life that he can no longer feel his existence to be worthy of a human being. And in reality, it is from a sense of the degradation of human existence that all disturbances in the body social proceed.

It is possible to prevent the communal prosperity from being too greatly

diminished from the equity side; just as there are ways and means of improving the basis of natural conditions. One can use technical methods to make a less productive soil more productive; and if prosperity declines over much, one can change the kind and quantity of labour performed. But such a change must not be the direct outcome of the workings of economic life; it must proceed from an insight evolved in the domain of equity and outside the economic life.

Into everything that men's economic activities and their sense of justice achieve towards the organization of social life there enters something which has its origin in a third source: the personal abilities of the individual. The loftiest productions of the spirit fall within this province, as well as all that enters into human creations through the measure of each man's physical aptitude for work serviceable to the community. What flows from this source must enter the social life in quite a different way from that element which finds expression in the

exchange of commodities, or comes into it from the life of equity ; and there is no possibility of assimilating this third element in a healthy manner, except by leaving it dependent on men's spontaneous appreciation and on the impulse given by individual aptitudes themselves. If the activities that spring from such aptitudes find their outlet subjected to artificial influences from the economic life or the political institutions, the true basis of their existence is to a great extent cut away ; for the power by which they live must be evolved out of their own resources. If again, the acceptance of such services is directly conditioned by the economic life, or organized by the state, there cannot then be that unembarrassed spontaneous appreciation of them, through which alone they can enter healthily into the social life. For the spiritual life there can only be one possible way of healthy development ; and it must not be forgotten by how many fine threads this spiritual life is connected in human existence with the development of a man's other individual

powers. It must be left to the forces of the spiritual life itself to initiate the services it renders to the community; and its relation with those who receive its services must be one of sympathy and understanding.

The conditions here indicated as necessary for the sound development of the spiritual life are not to-day clearly apprehended. The vision has been blurred by the fact that a great part of this life has, in the course of the last few centuries, become blended and confused with the life of the political state, and that people have grown used to this confusion. They still talk no doubt, of 'freedom of knowledge and of learning,' but it is taken as a matter of course that this 'free knowledge' and 'free learning' should be managed by the political state. They show no signs of perceiving how the political state is thus bringing the life of mind and thought into dependence on its official requirements. People think that the state provides the posts from which instruction is given, and that those

who take these posts can then blossom forth 'freely' in mind and spirit. If one is in the habit of looking at the thing in that way, one fails to see how closely the substance of the mental and spiritual life is involved with the inmost nature of the man in whom it grows up, how impossible it is for this growth to take place freely in the body social, if it is directed by any other motives than such as arise from the spiritual life itself. This fusion with the political life has not only during recent centuries set its stamp upon the actual administration of knowledge and all that part of the mental and spiritual life connected with it, but it has also determined its substance and matter. Of course the results of mathematics and physics cannot be directly influenced by the State. But, consider history and kindred branches of knowledge. Have they not become a reflection of the influence which the requirements of the State are able to exert owing to the dependence on the State of those who represent learning? It is directly due to

this character thus stamped upon them by their relations with the politico-economic state, that the scientific conceptions that to-day dominate the mental and spiritual life have affected the worker as ideology. He saw that the practical requirements of the State give a certain stamp to men's thoughts, and that these requirements represent the interests of the ruling classes. The working-class thinker saw in the life of thought a reflection of material interests and contending interests; and this aroused in him a feeling, that all spiritual life was ideology—a reflection of the economic order of the world.

Man's spiritual life will cease to be rendered desolate by such a view, when it becomes possible to perceive that, in the domain of the mind and spirit, there reigns a reality that transcends material external circumstance, and bears within itself its own matter and substance. But such a feeling cannot possibly arise, unless within the body social the spiritual life is developed and guided freely by its own inherent impulses. The life of the spirit



can only have its full weight within the social order, when it is represented there by men who have their footing in a domain that is self-ordered and self-developed. Art, science, general philosophy, and all that is connected with these, have need of such an independent place within human society. For in the spiritual life everything hangs together. The freedom of one cannot prosper without the freedom of all. Although the substance of physics and mathematics cannot be directly influenced by the requirements of the State; yet these requirements do, through the state-control of branches of the spiritual life, determine, for instance, what aspect of these studies is developed, the value which men attach to them, how they affect the rest of man's spiritual activities, and many other things. It is quite a different thing whether the teacher of the lowest class in school is acting on incentives given by the life of the State, or whether his incentives proceed from a spiritual life that rests on a footing of its own.

In this field again, Socialism has only inherited from the practices and customary thought of leading circles. It has a vision of including the spiritual life amongst those social institutions which it proposes to erect upon the basis of the economic life. To do so would but be to pursue the same road which has led to the present depreciation of the spiritual life. "The instinct was sound which formulated the socialist demand, that religion should be a man's private affair. For, in a healthy social body, the whole life of the mind and spirit must in this sense be a 'private affair,' so far as the political and economic states are concerned. But in relegating religion to the sphere of private affairs, socialism is not actuated by the idea of thereby finding a place within the body social for a spiritual possession, and giving it a position there in which it may more fully and worthily develop than under State influence. The idea is, that the body social should only concern itself with what is needed for its own life, and that spiritual possessions of

a religious kind are not so needed. No good can come to one branch of the spiritual life by being alone excluded from public life, whilst other spiritual possessions are tied fast to it. The religious life of the new humanity will co-operate with all forms of free spiritual life, and build up a force able to sustain the souls of men.

What the spiritual life creates, and the use which the world finds for it, must both be freely determined by the needs of men's souls. Teachers, artists, etc., will, as regards their public position, only have directly to do with regulations or authorities that arise out of the spiritual life itself and are actuated by the impulses proper to it. Thus they will be able to work in such a way as to develop a sympathetic understanding for their activities amongst people on whom an autonomous equity-state not only imposes the necessity to labour, but for whom it also secures the right to leisure,—a leisure in which the understanding will awaken to the treasures of the mind and spirit. Perhaps some one who prides himself on

his 'knowledge of life' may think, when he reads this, that if the State makes provision for leisure time, and if people are left free to use their own judgment as to whether they do or do not attend school, they will spend all their leisure hours in the public-house and return to a state of illiteracy. Let such pessimists wait and see what will happen when the world is no longer under their influence,—an influence all too often prompted by a certain feeling that keeps whispering, how they themselves spend their spare time and what measures were necessary in their own case in order that they might have a 'decent education.' They cannot of course appreciate the force of inspiration that resides in a spiritual life which has its own footing in the social order, since a spiritual life in bondage to the State had no inspiration for themselves.

What the political and economic States require from the sphere of the spiritual life will be contributed through the autonomous institutions of the latter. Practical education too for the economic

life, will for the first time be able fully to develop its powers through the free co-operation of the industrial and spiritual institutions. Persons who have received the right preliminary education will bring to their practical experience in the economic field an inspiration drawn from the liberated domain of the spirit; whilst people who start with practical experience in the economic world will find their way into the spiritual institutions with beneficial effect where needed.

Such freedom of function in the domain of mind and spirit will further the growth of those sound conceptions of which the body politic has need. The manual worker will become aware of the part that his work plays in the world, of which, whilst cut off from a free spiritual life, he can have but little sense. He will come to see that the body social cannot carry him, unless the organization of his manual labour be suitably directed. He will come to feel the connection between his personal labour and those powers of organization which are a development of indivi-

dual human abilities. As a member of the political state, he will develop those principles of equity by which he himself is secured in his share of the proceeds of the commodities he produces; and he will readily accord to those spiritual productions, by which he also benefits, that portion which will enable them to be produced. It will become possible in the spiritual sphere, that the producers there, too, may be able to live on the proceeds of their labours. What each one does on his own account in the province of the spiritual life will be his own strictly private affair; but for services that he is able to render to the body social he may count on receiving free recompense from those who need the spiritual goods he has to give. Whoever cannot satisfy his needs with such recompense as he gets within the domain of the spiritual life, must pass into that of the political state or of the economic life.

Into the economic life flow those technical conceptions that originate in the sphere of the mind and spirit. Even

when they emanate directly from members of the political or economic sphere, they have their source in the spiritual life. It is the source of all the creative ideas and powers through which the industrial life and the political life become fruitful. Adequate return for such contribution from the spiritual domain to both these branches of social life will either, here again, be made, of free recognition, by those who have occasion to use it, or else settled according to principles of equity determined within the political state. What the political state itself requires for its upkeep, will be raised by a just code of taxation. Such a code of taxation will be the outcome of a harmony established between what is demanded by the sense of right and the claims of the economic life.

In a healthy society the spiritual life has a sphere of its own and must function alongside the spheres of politics and economics. The forces of human evolution to-day point in the direction of this threefold order of the body social. So

long as social life was essentially guided by the instincts of a large part of mankind, the need for a precise separation of provinces did not become urgent. Social life in a blind kind of way worked in together the various elements that ultimately always came from three sources. The new times require that men should take their place in the social order with their eyes open; and this new sense of their relation to the body social can only give healthy shape to their whole existence and attitude, if it is threefold in its origin and aspect. The men of to-day are in the unconscious depths of their souls striving for such a form of evolution, and what is to-day embodied in the social movement is only the dim reflection of this inner struggle.

Towards the end of the eighteenth century, under different circumstances from those in which we live to-day, a cry went up from the hidden depths of human nature for a reshaping of the body social. 'Fraternity! Equality! Liberty!'—these three words rang out as the motto of the



new order. Naturally anyone, who considers the true course of human evolution without prejudice and with healthy human sympathies, cannot fail to have a feeling for all that is implied by these words. And yet, in the course of the nineteenth century, there were acute thinkers who were at pains to point out that in one and the same social order these ideas of fraternity, equality and liberty cannot possibly be realized. They made out that if it were attempted to realize these three impulses in an organized society, they must clash with one another. It has been cleverly shown, for instance, how impossible it is, if the impulse for equality be realized, that the freedom so inherent in human nature should also find expression. One can but agree with those who hold that they are contradictory; and yet at the same time one's general human feeling must be in sympathy with all three ideals alike.

The reason why the contradiction arises is, that the three ideals only acquire their true social significance when we perceive

that the body social has necessarily a threefold character. Its three branches must not be artificially centralized into some abstract theoretical kind of unity in a parliament or otherwise. They must become three actual, living members of the social body, each centred in itself, working alongside one another and in co-operation.

Only thus can the unity of the whole social order be realized. It is just in real life that the apparently contradictory elements blend together into unity. And so the life of the body social will become comprehensible, when we thoroughly perceive how its natural form should be evolved with respect to fraternity, equality, liberty. We shall see then, that co-operation in the economic life rests upon the brotherhood that grows out of the associations. In the second system, that of common rights, where purely human relations between persons are involved, it is the idea of equality that we must seek to realize. And in the domain of the spiritual life, which stands

comparatively alone in the body social, the impulse of freedom must find expression. Looked at in this light, the practical value of these three ideals becomes evident. They cannot be realized in a chaotic society, but only in a healthy threefold order of life. No abstract, centralized social structure can realize the three ideals, of liberty, equality, fraternity all in one; but each of society's three branches can draw its strength from one of these motive forces, and thereby become able to co-operate profitably with the others.

The men who, at the close of the eighteenth century, raised the standard of liberty, equality and fraternity, and demanded that these three ideals should be expressed in social life, and those who took up the same cry later on,—they dimly felt whither the evolutionary forces of the new world were tending. But they could not shake off the belief in the oneness of the state. In such a state these ideas involve a paradox. They avowed their faith in a contradiction, because in the subconscious depths of their soul

their instinct was towards a threefold order of society, in which the threefold form of their ideals might find a higher unity. The facts of to-day unmistakably demand, that those evolutionary forces, which in this age of new growth are impelling men towards the threefold order, should find conscious expression in the common will.

### III

#### *Capitalism and Social Ideas. (Capital ; Human Labour)*

IT is impossible to form a judgment as to what is the course of social action which the facts of to day are so insistently demanding, unless one is willing to be guided in one's judgment by an insight into the fundamental forces of social life. The following remarks are the outcome of an attempt to attain to such an insight. Nothing fruitful can be achieved in these times by measures that proceed from a judgment formed from a restricted sphere of observation. The facts that have emerged from the social movement reveal disturbances going on at the very base of the social order ; what they indicate in no wise lies merely on the surface of things ; and to cope with them requires an insight that also penetrates to their foundations.

The terms *Capital* and *Capitalism* have come to signify that wherein the working-class part of mankind look to find the root of their troubles. To come to any fruitful conclusion as to the way in which capital acts as a hindrance, or a help, in the processes of the body social, one must learn to see exactly how capital is created and expended by men's individual abilities by their conceptions of Rights, and by the forces of the economic life.

In speaking of *Human Labour*, we mean that factor which, in conjunction with the nature-basis of economic activity and with capital, goes to create economic values; and it is at his labour that the worker becomes aware of his position in society. In order to decide what position human labour should occupy in the body social so as to do no violence to the worker's sense of self-respect as a man, one must keep clearly in mind the relation men's labour bears on the one hand to the development of individual talent, and on the other to the sense of right.

People are at present very reasonably

asking :—What is the most urgent thing to be done in order to give just satisfaction to the demands expressed in the social movement ? People will not be able to do even what is most immediately urgent, unless they first have knowledge as to how the principles of a healthy human order bear on what they are doing. Once anyone knows this, then, in whatever position he may find or place himself, he will recognize what precise tasks the circumstances impose upon him. The obstacle to obtaining such an insight as this lies within the actual institutions of society, as shaped during the slow course of years by the volition of men. It is this which clouds our vision and troubles our clear judgment. We have so grown into these institutions, that they themselves form the standpoint from which we view them and decide what should be kept and what changed. We are guided in thought by that of which our thoughts should be the criterion. But the time has come when it must be realized, that the only way to form an adequate estimate

of the facts is by going right back to those *primal conceptions* which are at the foundation of all social institutions. If the forces latent within these primal fundamental conceptions have not suitable channels through which they can supply ever fresh streams to social life, then its institutions will take a shape that hinders growth instead of furthering it. For these primal conceptions live on, more or less unconsciously, in the instincts of men, and it is they which, open or disguised, make themselves felt in revolutionary upheaval. Revolutionary upheavals will only cease to occur, when society is so ordered, that there may be always a readiness to mark any deviation from what these primal conceptions require, and that it may also be possible to check any such deviation before it becomes so strong as to involve disastrous consequences.

Throughout a wide range of human life, social institutions have, in our times, departed widely from what the primal conceptions require; and the impulses



in men's souls that originate in these conceptions are a living commentary,—a commentary that voices itself in facts,—on what has been taking shape in the social order during the last few centuries. Resolute determination is accordingly needed to make a return to the primal conceptions. Nor must we fail to recognize how mischievous it is, above all to-day, to banish these primal, fundamental conceptions from actual life as 'unpractical' generalities. In the life and demands of the working-class people lives the practical commentary on what the modern age has made of the body social.

One of the most fundamental questions thus presented to us is: How to put an end to the oppression which the workers have been suffering through private capitalism? The owner, or controller, of capital is in a position to press other men's bodily labour into the service of any work he has on hand.

One must distinguish three elements as entering into the social relation that

arises in the co-operation of capital and human labour. These are, the activity of the 'initiator,'\* which must rest upon the individual abilities of a person or group; the relation of the 'initiator' to the workman, which must be a relation in equity; and the production of something which in the cycle of economic life acquires a commodity value. The activity of the 'initiator' can only find healthy scope in the social order if there are forces there at work which enable men's individual aptitudes to manifest themselves in the best possible manner. For this to be so, a department of the communal life is needed which shall secure to an able man free initiative for the use of his abilities, and also make it possible for other men to bring free minds to bear on these abilities when estimating their value. Evidently the social activity which a man exerts through capital belongs to that domain of the body social whose rules

\* *Unternehmer*—French *entrepreneur*. The corresponding "undertaker" has unfortunately acquired a limited significance.

and methods are provided by the spiritual life. If the political state has a hand in this activity, then one of the influences that determine the scope of individual talent will necessarily be a total indifference to individualities of talent. For the political state is founded on the common element in all men's requirements; and this is what it has to translate into practice. Within its sphere the political state must enable every man to make his own opinion tell. For the work it has to do, the question of comprehension or non-comprehension of individuality does not come in. And, for this very reason, the principle embodied in it must have no influence upon the way in which individual ability is exercised. Nor should it be possible for prospects of economic gain to determine the exercise of individual ability where the assistance of capital is needed. Many people in considering capitalism lay great stress on this gain. In their opinion it is only through the incentive of gain that individual ability can be induced to bestir itself; and as 'practical

men' they base their arguments on the 'imperfection of human nature,' with which they claim to be well acquainted. No doubt within that order of society which has brought about the present state of things, the prospect of economic gain has acquired a very special importance. But it is just this fact which is in no small measure the cause of the state of things that we are now experiencing, and that makes it so urgent to develop a different incentive to the exertion of individual ability. This other incentive must lie in the social perceptions that come from a healthy spiritual life. A man's schooling and general education will, from the strength of the free spiritual life, send him forth equipped with impulses which, by virtue of these social perceptions, will lead him to realize his special powers.

One may hold this opinion without being a visionary idealist. Certainly visionary idealism has done immeasurable mischief in the region of social endeavour, as elsewhere. But the view here put forward

does not rest (as is clear from what precedes) on the illusion that 'the spirit' will work miracles, provided those who think themselves spiritual only talk enough about it. It is the result of observing the actual free co-operation of human beings in the domain of the mind and spirit. Through its very nature, such co-operation, if it can only develop freely, assumes a communal character.

It is only the lack of freedom in the spiritual life which has hitherto prevented it from acquiring this communal character. The evolution of the life of culture within the upper classes has been such that its benefits are confined to certain circles in a way that is exclusive and anti-social. Whatever was produced within these circles could only be brought artificially before working-class people; and these people could draw no inspiring strength from the life of culture, for they had no real share in it. Schemes for 'popular education,' for the 'uplifting' of the 'masses,' for 'art for the people,' and similar things are not really a way of

socializing spiritual property. For the masses in their inmost life and being stand outside this life of learning and culture. At most such schemes can make it possible for them to observe it from a point of view that lies right outside it. And what holds true of mental and spiritual activity in its narrower sense has a meaning too for those offshoots of it which find their way into the industrial life on a basis of capital. In a sound order of society, the workman will not stand at his machine, and come into contact with nothing but its machinery; whilst the capitalist is the only person who knows what happens to the finished article in the cycle of production and consumption. The worker must participate fully in the whole business, and be able to form his own conceptions of the part he plays in the life of the community through his work in producing the goods. The management must regularly call together for mutual discussion those employed in the concern, with the object of aiming at a common field of ideas. Such

conferences will include both employers and employed and will be reckoned as much part of the business as the actual work performed. Under a healthy system of this kind the worker will develop an understanding of how the capitalist, when he plays his proper part, can be of service to the community, and to the worker as a member of it. Such publicity in the conduct of business, with the aim of free mutual understanding, will moreover oblige the employer to maintain an attitude that is above suspicion.

No one will think this a matter of unimportance, who has any feeling whatever for the social value of that sense of comradeship that comes from the common prosecution of a particular task. Anyone who feels it, will see how economic productivity will benefit, when that management of industry which is based on capital is conducted within the sphere of a free mental and spiritual life. Only when these conditions are fulfilled, will the interest now taken for the sake of

## CAPITALISM AND SOCIAL IDEAS 111

profit in capital and its augmentation give place to an interest in the matter in hand, in the work of production and in the achievement of the result.

People of a socialist turn of thought are now endeavouring to bring about communal control of the means of production. What is well-founded in these attempts can only be achieved if this communal control is provided by the independent spiritual domain. Thus, that economic coercion will become impossible, which is exerted by the capitalist whose activities are born and bred within the economic life. There will also be none of that crippling of individual abilities which would necessarily result from the control of these abilities by the political state.

In a healthy social order, what is to be gained by the active employment of capital and individual human ability must, like all services of a spiritual kind, be determined on the one hand by the free initiative of those who perform the service, and, on the other, by the free appreciation



of those who desire its performance. In such matters, it is for him who has services to offer, to estimate of his free initiative, what he is ready to consider a suitable return for them, taking into consideration all the trouble and expense to which he will necessarily be put in the preparation and execution of the work. He will only find it possible to have his claims gratified, if he meets with appreciation of what he has to give.

By organizing social life on the lines here indicated the ground will be prepared for a really free contractual relation between him who directs and him who performs the work. And this relation will rest not on a barter of commodities (in the form of money) for labour-power, but on the apportionment of a fixed share to each of the two parties who jointly produce the commodity.

The services that are rendered to the community on the basis of capital depend by their very nature on the manner in which individual talent finds entry into the social order. There is no other way

of getting the impulse needed for their development, save through the free life of the mind and spirit. Even in a social order where the development of such activities is yoked to the administration of the political state or to the forces of economic life—even then, the real creative work of production in everything that needs an outlay of capital is dependent on whatever of individual power can force its way through the shackles imposed upon it. Only, under conditions such as these, individual ability will not develop in a healthful way. It is not the free development of individual abilities working upon capital that has brought about conditions under which human labour power can be nothing but a commodity, but rather the fettering of these abilities through the political state and the cycle of industrial life. An unbiassed perception of this fact is in these days a preliminary condition for whatever is to be accomplished in the social field. For the superstition has grown up in modern times that the measures which shall heal the body social

must proceed from the political state or from the economic system. If, following this superstition, we pursue the same path further, then all that we plan and do will not lead men to the goal of their endeavours, but, rather, will add ever fresh burdens to the load that they are trying to shake off.

Thoughts about capitalism were formed at a time when capitalism had engendered a sickness in society. From this sickness we are now suffering ; anyone can see that it must be combated. But he must see further than that. He must awaken to the fact that this sickness is due to the creative forces of capital having been caught up into the cycle of economic life. To bring his exertions into line with what is so loudly demanded to-day by human evolution, is only possible for one who will not let himself be led away into delusions by the view that it is a piece of 'unpractical idealism' for the spiritual life, freed of its shackles, to direct the workings of capital.

To-day, certainly, people are ill prepared

to bring the social programme which is to settle accounts with capitalism, into any direct connection with the life of mind and spirit. They tack it on to the domain of economic life. They see how in recent times the manufacture of goods led to big business concerns, and these again, to the present form of capitalism. This form of industry is to be replaced by a communal one, in which the producers are working for their own needs. But since the modern methods of production are of course to be retained in industry, it is proposed to federate the various industries in one big association. Here the idea is that everyone will produce for the requirements of the community, and that the community cannot be an exploiter because it would simply be exploiting itself. And, because people either will or must connect on to something that already exists, they cast their eyes on the modern state and want to turn this into a universal syndicate. In building their hopes on such a system they fail to see that the bigger the association is, the less it will

be able to satisfy their expectations, unless, in organizing it, personal ability is placed on such a footing as is here suggested. The reason why people are so little disposed to-day to judge impartially of the part played by the spiritual life in the social order, is that they have grown used to think of what is spiritual as being at the opposite pole from all that is material and practical. Not a few will find something absurd in this idea that the employment of capital in the industrial life should be the expression of a side of the spiritual life. It is very likely that members of the late ruling classes and socialists will both agree in calling it absurd. But this thing that is thought so absurd has an importance for the health of the body social which can be seen by examining certain currents of modern thought—currents that spring from impulses of the soul, which, though quite honest after their fashion, yet block the way, wherever they arise, to any real social philosophy.

These currents of thought tend more or less unconsciously away from what

might give the right impetus to inward experience. They have an ideal of life—an inner life of soul and thought—one directed to the pursuit of knowledge; and this they seek as a sort of island in the midst of the common world of men. Thus they are not in a position to build the bridge between this inner life and that which yokes men to the everyday world. It is common enough to-day to find persons who think it rather 'superior' to sit in the airy castles of cloud-land pondering with a sort of academic aloofness over all sorts of ethico-religious problems. One sees them studying ways and means by which a man may acquire virtues; how he may preserve an attitude of love towards his fellow-men; how he may be so blessed as to find 'a meaning in life.' And at the same time one realizes how impossible it is for such people to link up all they call good and sweet and kindly and right and proper with what is going on in the real outer world, the everyday surroundings of men, in the manipulation of capital, in consumption,

production, payment of wages, exports and imports, state of credit, banking rate, and the Stock Exchange. One can see two main tendencies running side by side, even in the prevailing habits of thought. The one strives to maintain itself in Olympian altitudes and has no desire to effect any connection between an impulse of the spirit and the common facts of everyday business. The other is immersed in the everyday life, and pursues it without thought. But life is a single whole. It can only prosper when the driving forces from every manner of ethical and religious life work their way down into the crassest and most work-a-day world—the sort of world that to many people seems even a trifle vulgar. For, if the gulf between the two departments of life be not speedily bridged over, then the religious and moral life, and social philosophy too, will degenerate into mere visionary idealism quite removed from true everyday reality ; and this everyday reality has its revenge. And so a ‘spiritual’ impulse is ever urging man

in pursuit of every imaginable ideal, every conceivable vision of 'the good'; but for those instincts that contrast with such 'ideals'—those that underlie the common daily needs of life and require the industry of the people for their satisfaction—when following these, he leaves the 'spirit' out. He knows no way from his idea of the spiritual to the practice of commonplace life; and so commonplace life is assuming a form that is not supposed to have any connection with all that dwells apart as ethical instincts in the superior region of the psychic and spiritual. But the commonplace is avenging itself; for the ethico-religious life, because it stands aloof from the commonplace matter-of-fact routine, is therefore imperceptibly turning to a living lie within men's hearts.

How many people there are to-day, who, from a sort of ethical and religious good-breeding, show every disposition to live justly amongst their neighbours, who desire to do the very best by their fellow-men, and yet are slow to think and feel in a way that would make this possible, just



because they cannot lay hold upon a social, practical conception of life that may express itself in real everyday actions.

It is from such circles as these that the visionaries proceed, those who hold themselves to be the thoroughly practical people—those who at this epoch-making moment, when social questions have become so critical, are blocking the way to what is really needed in practice. One can hear them talking like this: What is really wanted is that people should shake off all this materialism. They must rise above the external material world which dragged us into the war and brought this disaster and misery upon us, and turn their thoughts to life's spiritual aspect. And when thus pointing man's path to the higher regions they are never weary of quoting eminent men, who in bygone days were venerated for their spiritual turn of mind. If someone attempts to lay his finger on what is precisely so urgently demanded of the spiritual life to-day in practical affairs—the best way of obtaining daily bread—he risks being reminded

that, after all, the thing of primary importance is to restore mankind to a belief in the spiritual life. The really important thing, however, at the present moment, is that the forces of the spiritual life should be employed to discover the right method of restoring health to the community. For this it is not enough that people should take up the spirit as a sort of side-line in life. It needs everyday existence to be brought into conformity with the spirit. It was because the classes hitherto in the ascendant had this taste for inventing by-paths for their spiritual life that they were able to find pleasure in social conditions that ended in this pass.

In the social life of to-day the administration of capital for the production of commodities is tied up with the ownership of the means of production—which are, again, capital. These two relations of man to capital are nevertheless quite different in the part they play in the social order. The management of capital by individual abilities,

properly applied, is productive of wealth in whose existence every member of the community has an interest. Whatever may be a man's position in life, it is to his interest that nothing should be lost of those individual powers which spring from the deepest sources of human nature and create things of service in the life of men. These abilities can only find development when those endowed with them can exercise them of their own free initiative. And in so far as the free flow from these sources is checked, it is, in a measure at least, lost to the welfare of mankind. But capital is the vehicle by which these abilities can be made effective throughout a wide range of social life. It cannot be really to anyone's interest in a community, so to administer the whole collective property in capital that individuals specially gifted in one direction, or groups with special qualifications, should be prevented from using capital in a way prompted by their own independent initiative. Everyone, from the brainworker to the manual

worker, if guided by unbiassed consideration of his own interests, cannot but say : I should like a fairly large number of capable people, or groups of people, not only to have free disposal of capital, but also to have access to capital through their own enterprise, since they alone can judge in what way their special abilities can, through its means, produce things useful to society.

It does not fall within the scope of this work to describe, how in the course of human evolution the exercise of individual ability in social life was connected with the evolution of private property from other forms of property. Down to the present day this form of property has gone on developing itself in the community under the influence of the division of labour. It is of present conditions and their further necessary evolution that we are talking now.

However private property arose, through the exercise of force and conquest, etc., it is a result of social activities that are bound up with individual human

aptitudes. And yet socialist thinkers to-day believe that its oppressive character can only be eliminated by converting it into communal property. This is how they put the question: How can the private ownership of the means of production be prevented at the source, so that it may no longer oppress the dispossessed masses? When anyone puts the question in this way, he is losing sight of the fact that the social organism is something continually evolving, growing. About such a live and growing organism one cannot ask, what is the best arrangement by which it can be kept in the condition which has been decided to be the proper one for it. That is the way in which one might think about a thing that after a certain point of departure goes on functioning without essential change. This does not hold true of the body social. Its very process of life continually changes everything that takes shape within it. To think out some ideal form for it, and try to fix it in that form, is to undermine the very conditions of its life.

And one of the conditions of its life is, that whoever can serve the community by means of his special abilities should not be deprived of the power to do so freely on his own initiative. Where such service involves the free disposal of means of production, it would be an injury to the general social welfare to put obstacles in the way of such free initiative. No stress is here laid on the argument commonly used in this connection; that the initiator needs to have his activities aroused by the prospect of gain that goes with the ownership of the means of production. If we regard the future development of social conditions from the point of view in which they are here treated, we must conceive it possible that such an incentive can be dispensed with as the spiritual life becomes freed from the political and economic states.

The spiritual life, once freed, will of itself of necessity evolve a social understanding, and such an understanding will provide incentives very different from

that which is to be found in the expectation of economic profit. But it is not merely a question of the motives which lead men to cling to private ownership of the means of production ; but rather : Whether it best accords with the vital conditions of social life that the means of production should be left free, or that they should be regulated by the community. Moreover, we must bear in mind that when dealing with society to-day we have not to consider the conditions of life in primitive communities (as we read them), but those alone which correspond to the present stage of human development. The point is, that, at the present stage, individual talent cannot possibly find really fruitful scope for its activities in economic life by the use of capital, unless it is free to dispose of the capital as it judges best. Wherever production is to be fruitful there must be this freedom of use,—not because it is advantageous to an individual or a particular class of people, but because such free use can best serve the community when well

directed by an understanding of social requirements.

There is an intimate connection between a man and the material on which he is working (whether alone or with others) which is comparable to the connection between him and the faculties of his own legs and arms; so that to shackle his free use of the means of production is like crippling the free play of his physical faculties.

Now private property in itself is simply the medium for this free use of the means of production. With regard to the property, as property, the only thing the community has to consider, is that the owner of it is possessed of the 'right' to use it of his own free initiative. Clearly, in the actual life of the community two things are bound up together which have quite different implications for society. One is the *free use* of the capital basis of social production; the other, the *relation of right* which arises between the user and other men, through the fact, that by his right of use these others are excluded



from exerting their own activities freely through the medium of the same piece of capital.

It is not the *free use* that *of itself in the beginning* does the mischief in society ; but merely the *continuance* of this right of use, after those conditions have ceased to exist which made its connection with particular human abilities desirable. Whoever pictures society as something developing and growing, cannot mistake what is here meant. He will ask himself what possibility there is of so arranging matters, that human life does not suffer in one direction from what benefits it in another. For a *living thing*, no fruitful arrangement whatever can be devised, without that which has arisen in the process of growth becoming injurious also in the long run. And if one is oneself taking part in its growth—as man must in the body social—then the problem cannot be, how to prevent some necessary development from taking place for the sake of avoiding the harm it brings. This would involve undermining every possibility of life for

the body social. It is simply a question of intervening at the right moment, when what was useful is on the point of becoming detrimental.

The possibility must, then, exist for the capital-basis to be at the disposal of individual talents. It must also be possible to shift the right of property that this involves, the moment it turns into a means for the unjustifiable acquisition of power. In these days we have an institution which recognizes this social requirement, though it is partially applied only to what may be called 'spiritual property.' Such property, at the expiration of a period after its author's death, passes over into the free ownership of the community. Here we have a conception that is in accordance with the true nature of communal life. However closely the production of purely spiritual wealth may be connected with the special gifts of the individual, yet this wealth is also a result of the common life of men, and must be made over to the common life at the proper moment. But it is just

the same with any other form of property. It is true, that by its aid the individual is able to produce in the service of the community; but he can only do so through the co-operation of the community. Accordingly, the right to make use of any property cannot be treated apart from the community's interests. We have not to find, in what way ownership of the capital-basis of production can be eliminated, but how such ownership can be administered so as best to serve the common needs.

Such a way is to be found in the threefold order of society. The members of the body social will act together as a community through the equity-state. The application of individual ability lies in the sphere of the spiritual organization.

Viewed from a standpoint that has some sense of the reality of things and is not quite dominated by subjective opinions, theories, aspirations, etc., everything shows the necessity of this threefold organization of society. And one particular instance of it is the relation of indi-

vidual human ability to the capital-basis of economic life and its ownership. The equity-state must not prevent the formation and control of private property in capital, so long as the connection between the capital basis and individual ability remains such that the private control implies a service to the whole body social. Moreover, in its dealings with private property, the equity-state will be true to its character. It will never itself take over the ownership of property, but will at the critical moment see that the right of use is transferred to a fresh person or group, through whom the ownership will once more be related to specific abilities. This will be to the service of the body social in two quite different ways: From the democratic basis of the equity-state (which is concerned with what touches all men alike), watch can be kept to ensure that property-rights do not in course of time become property-wrongs. Again, since the equity-state does not itself take over the management of property, but only sees that in each case

it is passed on to individual ability, these abilities will have opportunity to develop their powers fruitfully for the whole commonwealth. So long as it seems advantageous, ownership of the rights of property or rights of use will, by means of such an organization, be able to retain a private character. It is conceivable that the representatives in the equity-state will at different times make quite different regulations about the transference of property from one individual or group to another. At the present day there has grown up in many circles a great mistrust of all forms of private property, and it is proposed to transfer private property root and branch to communal ownership. If this road were pursued far, it would become apparent how the life of the community is thereby strangled. Taught by experience, people would eventually adopt another course. But it would undoubtedly be better forthwith, at the present time, to adopt such measures as shall secure social health on the lines here suggested.

So long as an individual alone, or in combination with others, continues to carry on those productive activities which have brought him into touch with the capital basis of production, so long he must be allowed to retain right of use over that sum total which has accrued to the initial capital as profits on the business,—provided always that this increment is applied to the further development of the productive industry. Immediately such a personality ceases to direct production, this sum-total of capital must pass into the hands of another individual or group either to carry on the same business, or some other productive work useful to the community. Such capital, too, as accrues from the business of production and is not applied to its further development must go the same way, directly it comes into existence. The only property that shall reckon as private to the individual manager of the business is what he receives by reason of the claims he put forward when he took on the concern,—claims which he

felt able to urge on the ground of his special abilities, and which seem justified by the fact, that in exercising these abilities he has gained other men's confidence and been thereby entrusted with capital. If through his special activities the capital has been increased, then a percentage of this increment will be added to his personal property, this addition to his original quota being of the nature of a charge on the capital increment. Supposing the first manager can no longer retain charge, or does not wish to do so, then either the capital used to start the business will pass over to a new manager along with all the incumbent obligations, or it will revert to the original owners, according as they decide.

In any such arrangement it is a question of the transference of rights. To regulate the terms upon which such transfers shall take place is the business of the equity-state. The equity-state will also have to see that they are carried out, and direct their application. It is conceivable that in detail the public sense of

right may approve one form of regulation as regards these transfers or another. A point of view that professes to be in touch with reality will never attempt to do more than indicate the direction that these regulations should take. If one keeps this direction and uses one's understanding, it will always be possible to discover the appropriate measure in any concrete case. But the spirit of the thing must be brought to bear on the special circumstances in order to discover what is the right course in actual practice. The more real and practical a mode of thought is, the less it will attempt to lay down rules and regulate details in accordance with hard and fast stipulations. Only, on the other hand, the very nature of this mode of thought is bound to lead very definitely to one result or another.

It follows, for instance, that the equity-state, in conducting transfers of rights, will never arrogate to itself the control of any capital. Its only business will be to see, that the right of use is made over to a person or group whose special abilities



appear to warrant the transaction. From these premisses it follows as a general rule that anyone who for the reasons given is obliged to take the step of transferring capital, may freely elect his successors in the use of it. He will be at liberty to pick out an individual or a group, or else to transfer the right of use to a corporation within the spiritual state. For whoever has rendered suitable services to the community through his management of capital, will also from his personal aptitudes have the social understanding to judge of its further application. And it will be better for the community to be guided by his judgment than to dispense with it.

Some rule of this kind will have to be applied to capital sums over a certain amount, which have been acquired by one or more persons through the means of production (including land and minerals) and which do not become private property as having been claimed in the beginning as a return for the exercise of individual ability.

Earnings of this latter kind, and all

savings made in the course of work that a person has himself performed, will remain in the private possession of the earner until his death, or in that of his descendants until some later date. Up to this date also anyone who is given such savings in order that he may procure means of production will be obliged to pay interest on them. This interest will be settled according to the sense of what is just and fitting, and will receive the sanction of the equity-state. In a sound order based on the principles here described it will be possible to effect a complete separation between those proceeds which accrue from the direction of labour involving the means of production, and such property as is accumulated by personal labour (whether physical or mental). This separation is in accordance both with the sense of right, and with the interests of the social commonwealth. What a person saves, and places as his savings, at the disposal of a productive industry, serves the common interests; for it is essentially in this way that it is

made possible for individual ability to direct production ; whereas the increment that accrues through the means of production after the proper charge has been subtracted, owes its existence to the collective working of the whole body social and must flow back into it again—as described. All the equity-state will have to see to it, that the transference of the capital in question shall take place in the proper way ; it will not be called on to decide to which particular material or spiritual industry the capital (or personal property, as the case may be) is to be entrusted. For that would lead to state tyranny over production both material and spiritual, whereas production is most profitable to the body social when directed by individual ability. If anyone, however, does not wish to choose to whom he will transfer capital that he himself has created, then he shall be at liberty to appoint a corporation of the spiritual state to dispose of it.

Again, property acquired through savings, together with the interest on it, will,

at the death of the earner, or shortly after, pass over to an individual or group engaged in spiritual or material production. But it will only go to persons so engaged, not to a non-producer to give him an income. The persons will be selected by the earner of the property and be appointed in his testament. Here, too, if a person or group cannot be chosen direct, it will be a case of transferring the right of disposal to a corporation of the spiritual state. Only when the disposal of such property remains undetermined, will the equity-state act in lieu of the owner, and must then require the spiritual organization to dispose of it.

In a society ordered on these principles account is taken both of the free initiative of individuals and also of the claims of the social commonwealth. Indeed, hereby complete justice is done to these claims, by putting free individual initiative at their service. If anyone has to entrust his labour to the direction of another man, he will, under such an order of things, at least be certain that what he

and the director of his work produce in common will bear fruit to the best advantage of the community and therefore of himself. Under a social order such as here aimed at, the sound instincts of human beings will be satisfied, inasmuch as the price of the things created will be brought into natural relation with that which creates them:—namely, human labour power, and those rights of disposal over capital (as embodied in the means of production) which are regulated according to the sense of right.

Possibly people will find many defects in the picture here sketched. So they may; a mode of thought that accords with realities is not concerned to turn out finished ‘programmes’ all ready made, but to indicate the *direction* which practical work should take. Particular problems, such as here instanced, are only intended as examples, to illustrate more exactly the line to be followed. Such examples may be improved upon, and with good results, provided this be done in the direction indicated.

Through arrangements such as these, the legitimate instincts of a person or family will be brought into harmony with the needs of humanity as a whole. No doubt it may be pointed out that there is a very great temptation for a man to transfer his property during life to a descendant or descendants; and that these descendants, though they may be made to look like producers, may yet be worthless, compared to others who ought to take their place. But this temptation will be a minimum in a social order controlled by the institutions above proposed. For the equity-state has only to require, that under all circumstances property which has been transferred from one member of a family to another shall, at the expiration of a certain period after the death of the latter, revert to a corporation of the spiritual state. Or, an evasion of the rule may be prevented by some other method of equity. The equity-state will only have to see that the transference takes place. The suitable person to inherit the property should be settled by

some instruction from the spiritual state. The fulfilment of these requisite conditions will develop a sense, that descendants must be qualified by education and training to take a place in the social order, and that society must not be injured by the transference of capital to non-producers. Anyone who is actuated by true social understanding will not want his connection with capital to be carried on after him by a person or a group whose individual aptitudes do not justify such a connection.

What is here described cannot be regarded as a utopia by anyone who has any sense of what is actually practicable, seeing that the social institutions here proposed are precisely such as can arise out of present conditions in every field of life. People have only got to make up their minds gradually to give up managing the spiritual life, and industry, within the political state, and that they will not fight against the establishment of private schools and colleges, nor try to prevent the economic life being established on a

basis of its own,—seeing that this is just as it ought to be. There is no need to abolish State schools and State industrial organization straight away; but, from quite small beginnings maybe, opportunities will become apparent for gradually demolishing the whole edifice of State education and State economy.

But the first thing requisite is, that persons, who have become convinced of the justice of these or similar ideas, and in whom the conviction has sunk home, should see to it that they are spread further. Once such ideas are understood, they will arouse confidence in the possibility of a change for the better,—a confidence that the present state of things can be converted into a different one, in which the existing evils will not be found. And such a confidence affords the only hope for a really sound evolution. For, to acquire it, a man must be able to form a conception of how new forms may actually be grafted on to what now exists.

In fact it seems of the essential nature of the ideas here put forward, that they do



not aim at bringing about a better future by the destruction of the present, beyond what has already been done; but rather that their realization should be found by building on what is left of the old structure, and, in the process, pulling down whatever is rotten and unsound. Any exposition which does not aim at creating this kind of confidence will not achieve what is needed; for it is absolutely necessary, as we go further, that the value of all the treasures that men have created by their toil, and all the aptitudes they have acquired, should not be scattered to the winds, but preserved. Even the greatest iconoclast may feel some confidence in a form of social reconstruction that does not discard what the ages have transmitted to us, when he finds himself dealing with ideas capable of being developed on really sound lines. Even he must admit, that whatever class may get into power, they will not be able to remove existing evils, unless their impulses are united to ideas that will enable the community to live and work. To despair, because one

cannot think that enough people will be found even in the turmoil of to-day capable of receiving such ideas, provided only sufficient energy be applied to spreading them, this would be to believe human nature hopelessly insensible to healthy and reasonable impulses. Is it hopeless?—this is not a question that ought to be asked at all. One should ask only: What ought one to do, in order to make the exposition of these ideas as forcible as possible, so that they may awaken confidence?

The first obstacle to the effective spread of these ideas will be, that the habits of thought of the present age will conflict with them. And this, at bottom, for two reasons. Either people will in some form or another raise this objection:—That they cannot conceive how the single and indivisible life of society can possibly be dismembered, seeing that, after all, any three such branches are inextricably interwoven. Or else they will opine, that even in the single and indivisible state provision can be made for the requisite

independent influence of each of the three members, and that all that is said here is mere cobweb-spinning and does not touch reality. The first objection arises from a lack of reality in thought,—from the idea that people in a community can only lead a unified life when this singleness, this unity, is first introduced into the community by special ordinance. What the reality of life requires is just the opposite. Singleness, unity, *must result as a consequence*. All the activities that flow together from various directions must eventually form a unity in action. This is an idea that accords with facts; but of late years developments have been against it. Therefore, what was living in men turned against this ‘order’ imposed upon them from without, and led to the present state of social affairs.

The other prejudice comes from inability to see the radical difference in the working of the three branches of social life. People do not see, that to each of the three man stands in a special relation, and that each relation can only develop

its peculiar characteristics when it has a sphere to itself in real life, where, distinct from the other two, it may work out its own form—to the end that all three may co-operate together. In days gone by the Physiocrats held the theory that : Either men interfere with economic life by government measures that cripple its free development, and are therefore harmful;—or else, the laws tend in the same direction as economic life does when left to itself; in which case they are superfluous. As an academic theorem this notion is disposed of; but as a habit of thought it still lurks in men's brains, and plays havoc there. People think that if one department of life obeys its own laws, then everything needful for life is bound to ensue as a consequence from this one department. If, for instance, the economic life were only so arranged that men could feel contented with the arrangement, then they think the life of equity and the life of mind must grow up aright from the well-ordered field of economics. But this is not possible;

and only a way of thought that is foreign to reality can conceive it to be possible. There is in the cycle of economic life absolutely nothing, which of itself can generate the impulse requisite to guide and order that element in human relations which enters into them from men's sense of right. And if we try to direct this particular relation by the economic impulses, then we shall yoke man fast to the economic life, together with his labour and his control over the means of labour. He will become a wheel in the economic life.

This economic life has a tendency to move continually in a course which needs rectification from another side. It is not when the regulations of equity run in the same direction that they are good, or that when they run counter they are bad, but that the course taken by the economic life needs to be continually subjected to the influence of those rights which concern man simply as man. Then he will be able to lead a man's existence within the economic life. Then,

when individual ability is growing on its own soil, quite detached from the economic régime, and continually supplying to the processes of industry and economics ever fresh powers that they cannot of themselves engender ; then, and only then, will these economic processes develop to the full benefit of mankind.

It is a curious thing—In purely external matters, people are ready enough to see the advantage of a division of labour. They do not expect a tailor to keep his own cow. Yet, when it comes to the whole organization of human life, they imagine that one uniform order can alone yield good results.

. . . . .

That objections should be raised on all sides is a matter of course. It is just over a view of social questions which fits in with real life that they may be expected to arise. For real life is productive of contradictions. Accordingly, the institutions aimed at by anyone who thinks in accordance with real life are in

practice bound to evolve contradictions that will require again other institutions to redress them. He must not allow himself to think that a scheme, which in his mind appears 'ideally perfect,' will when realized show itself ideally free from contradictions.

Modern socialism is absolutely justified in demanding that the present-day methods, under which production is carried on for individual profit, should be replaced by others, under which production will be carried on for the sake of the common consumption. But it is just the person who most thoroughly recognizes the justice of this demand who will find himself unable to concur in the conclusion which modern socialism deduces,—That, therefore, the means of production must be transferred from private to communal ownership. Rather he will be forced to a conclusion that is quite different; namely,—That whatever is privately produced by means of individual energies and talents must find its way to the community through the right channels.

The economic tendency of the modern age has been towards creating profits through the sheer quantity of the goods produced. The effort of the future must be to discover, through associations, what, in view of the necessary consumption, are the best methods of production and the best channels from the producer to the consumer. The equity institutions will see to it that a business engaged in production only remains connected with a particular individual, or group, so long as the connection is justified by the individual abilities of these persons.

Instead of *communal ownership* of the means of production, there will be within the body social a continual *circulation* of the means of production, ever bringing them afresh within reach of persons whose individual abilities will employ them in the manner most advantageous to the community. Thus that link between personality and the means of production, that has hitherto been worked through private property, will be effected by temporary connections. For all those



engaged in the management of an undertaking will realize, that the possibility of making such an income as they feel entitled to is due to their connection with the means of production; and they will not fail to develop the production to its fullest possible extent, since its enhancement benefits themselves,—though not indeed to the extent of the whole profits, since these under our scheme go to the community, after deducting the quota due to the producer for enhanced production. It is also of course in the spirit of what has been said, that if production declines, the income of the producer will be diminished in the measure in which it rises when production is enhanced. But always, in every case, the manager's income will come from such spiritual work as he puts into the management. It will not come from the profits, which are dependent on conditions that are not due to spiritual work done by the directing personality, but to the interplay of the forces of communal life.

It will be obvious, that through the

realization of such social ideas as these, existing institutions will acquire a totally new significance. Property will cease to be what it has been hitherto. Nor will it revert to an obsolete form, such as communal ownership would be; but it will go forward to something new. Objects of ownership will be brought into the current of social life. The individual will not control them in accordance with his private interests to the detriment of the whole community. On the other hand, the community will not be able to exert bureaucratic control over them to the detriment of the individual. But the individual who is suitable will find access to them, in order that he may thereby serve the community.

Through the realization of impulses such as these, a sense of the common interest may be developed, which will place production on a sound basis and preserve the social order from the dangers attending crises. An administration, too, that is concerned only with economic affairs, will be able to effect such adjust-

ments as the cycle of economic life renders needful. Suppose, for instance, a certain business is not in a position to pay its creditors the interest on their personal savings, then, if it is still felt to be an industry that is wanted, other industries may by free agreement with all parties concerned combine to make up the deficiency. Self-contained, on a basis of equity determined for it from outside, and constantly supplied from without by fresh accessions of individual ability, the economic cycle will have nothing to attend to but the business of its own domain. It will accordingly be able to promote such a distribution of wealth, as shall procure to each person whatever he may rightfully have, according to the measure of the communal prosperity. And if one person appears to have more income than another, it will only be because this 'more' is, by reason of his special aptitudes, of benefit to the community.

. . . . .

A social order shaped by the light of

conceptions such as these will be able to regulate such taxation as is needful for the equity-state, by agreement between those at the head of affairs in the domains of economics and rights. Whilst everything necessary to the maintenance of the spiritual organization will be in the nature of a recompense coming from the free appreciation of the individuals who form the community. This spiritual organization will have a sound basis in the personal initiative of those individuals who are suited to mental and spiritual labour,—an initiative that will make itself felt in free competition

But only in a social order such as here suggested will the organization of public justice find the needful understanding for a just division of wealth. When its claims upon men's labour are not prescribed by the requisitions of the several branches of production, and when it has to housekeep within the limits that equity allows, the economic organization will determine the value of goods according to the work men do. It will not let the

work men do be determined by values that have been created quite regardless of human welfare and human dignity. An organization such as this will not be blind to rights that arise out of purely human relations. Children will have the right to education. The father of a family will as a worker be able to have an income in excess of that of a single man. This excess will come to him through arrangements instituted by the common consent of all three social organizations. The right to education might be met by such institutions in this way : The administrative economic body might fix how high a sum can be spared for education, having regard to general industrial and economic conditions ; and the equity-state will then determine the rights of the individual in accordance with the judgment of the spiritual institutions. Here again, since we are considering these matters in the light of actual life, such an instance can only be taken as an example of the direction to which such arrangements lend themselves. It is possible, that in detail

a quite different sort of arrangement might be thought suitable. But what is 'suitable' can only be discovered by the well-directed co-operation of the three self-dependent members of the body social. So far as this sketch is concerned, the underlying idea is to discover, what is the really practical thing—in contradistinction to so much that is in these days thought practical, and is so very far from it. And the practical solution lies in such a conformation of the body social as shall enable men through each of its branches to promote what is needful to the community.

Similar to a child's right to education is the right of old people, invalids, widows, and sick persons to a maintenance. For this, capital will have to be forthcoming for the community's use, as in the case of the subsidy for the education of those who are not yet mature. The essential point of it all is, that the amount received by persons who are not themselves earning should not be a result of the economic life; but, conversely,

that the economic life should depend on what the sense of right has to say in this connection. The workers in any economic state will be able to keep less of the proceeds of their labour, the more is required for the non-producers. But the 'less' will be equally borne by all workers of the community, provided such social instincts as we speak of are realized. Under the equity state, detached from economic life, the education and maintenance of those unfit for work will become in practice what it truly is—the common concern of all mankind:—for in the domain of rights, that is realized in which all men have an equal claim to be heard.

A social order, such as here conceived, will give to the community what extra production is due to a man's individual abilities; just as it will take from the community what maintenance may be needed to make good the deficient production of the less able. 'Surplus value' will not be created for the unjustifiable enjoyment of the individual, but to enhance whatever may tend to the spiritual

or material wealth of the body social, and to foster whatever is born from it, even though not immediately serviceable.

Someone may think that a merely abstract value attaches to the separation of the three members of the body social, and that this can come about 'of itself' equally well in a uniformly ordered State, or in an economic association based on communal ownership of the means of production and assuming all the functions of the State. Anyone who has this idea should consider the quite peculiar nature of the social institutions which must arise if this threefold division is effected. For instance, the recognition of money as a legal form of payment will then no longer be a question for the political State-administration, but will depend upon the measures taken by the administrative bodies of the economic organization. For in a sound order of society money can be nothing but an order on goods produced by other people, an order which one is able to draw on the whole department of economic life because one has



oneself supplied goods to that department. It is through its money currency that a field of economic activity becomes an economic unit,—each one producing for each through the circuit of the common economic life. Within the economic field, commodity values alone count.\* So far as this field is concerned, anything made, or done, that proceeds from the political and spiritual organizations, also takes on the character of a commodity. What a teacher does for his pupils is, for the economic cycle, a commodity. The teacher is no more paid for his special abilities than the labourer for his labour-power. The only thing for which either of them can possibly be paid is something they actually turn out, which in the economic stream can circulate as a commodity and be a commodity. In what way free initiative, in what way the system of rights is to work to bring this commodity into existence, lies as much outside the circuit of economic life as the workings of natural forces upon the corn-yield in a plentiful or a barren season. For the economic

cycle, both the spiritual organization, and the political State too, rank as individual producers of commodities with respect to their claims on economic proceeds. But within their own spheres what they produce does not bear the character of a commodity; it only becomes a commodity when it comes into the circuit of economic life. Within their own spheres these two organizations do not do business; but the economic administration trades in that which they produce.

The purely economic value of a commodity (or of something made or done), as expressed in the money that represents its exchange value, will depend on the efficiency with which the administration of the economic life has been organized within its own province. On the provisions made by the economic administration it will depend, what prosperity the economic life is able to develop on the groundwork of equity and spiritual life afforded by the two other branches of the body social. The money value of a commodity will then be an expression of

the adequacy of the economic organization, to produce an amount equal to the demand. If the premisses laid down in this book are realized, the organization of economics and industry will not be determined by the impulse to accumulate wealth through the mere mass of production. The kind and amount of goods produced will be adapted to actual requirements, by means of the various associations that will spring up and work together in all manner of relationships. Thus these requirements will determine the relation that exists in the body social between the productive agencies and the money value. Money will really become a simple measure of value, since behind every coin or piece of paper money will be the commodity value of the service rendered, on the strength of which alone the owner of the money can have obtained it. From the nature of these conditions arrangements will have to be made whereby a piece of money loses its value for the possessor when its original significance is at an end. Such arrangements have already

been indicated. Money property will after a fixed period revert to the community in an appropriate form. And in order that money in current use in productive industries shall not be retained by its possessors, in evasion of the ordinances of the economic administration, it can be called in for recoinage, or a fresh issue be made from time to time. No doubt one result of these conditions will also be, that the interest on any particular capital will constantly diminish with the lapse of time. Just as the commodities get worn out, so the money that represents them will get worn out. Such a step will nevertheless be quite a just one for the State to take. 'Compound interest' will be impossible. Anyone who puts by savings has undoubtedly done something which entitles him to claim something of a commodity nature later on; just as well as present services can be exchanged for other immediate services in the present. But there are limits beyond which this claim must not extend. For claims that date from the past need labour of

the present day to satisfy them, and they must not become an instrument of economic tyranny.

In this way the problem of guaranteeing the standard of currency will be put on a sound basis. For no matter how other conditions may determine the form of money, the guarantee will be the sound organization of the whole economic and industrial field through its administrative body. The problem of guaranteeing standard value will never be solved by the State in any satisfactory way by means of law. The States now existing will only solve it, when they give up attempting the solution themselves, and leave what is needful to be done to the body economic, to which they must first give a detached and independent existence.

. . . . .

There is much talk of division of labour in its modern form, of its effects as seen in time-saving, in perfection of manufacture, in trade, etc. Yet little attention

is paid to its influence on the relations of the individual worker to the thing he makes. The worker in a social order founded on division of labour never really earns his income himself; he earns it only through the labour of everyone connected with that social order. A tailor who makes a coat for himself does not stand in the same relation to the coat as a man living under primitive conditions, who has to make all the necessaries of life for himself. The tailor makes the coat so that he may be able to make clothes for other people, and the value the coat has for him is entirely dependent on services rendered by others. The coat is, strictly speaking, a means of production. Many people may call that 'splitting hairs'; but they must change their opinion when they come to consider how the values of commodities are created in the economic cycle. It will then be seen, that with an economic organization based on division of labour no one can work for himself. One can work for other people, and get other people to work

for one ; but a man can no more work for himself than he can eat himself.

It is, however, possible to create institutions that run counter to the nature of division of labour. This is the case, when the production of goods is solely directed to giving the individual private possession of what he has only been able to produce by reason of his place in the organized community. Division of labour constrains the body social to adapt the life of each individual within it to the conditions of the whole organism ; *economically* it precludes selfishness. If then this selfishness still exists in the form of class privileges and such things, there arises a state of social instability which results in upheavals of the social order. Such are the conditions in which we are living to-day. Many a person may scorn the suggestion, that relations of right and other things must follow the unselfish method of the economic division of labour. Logically, one might as well say, that nothing could be done at all, and the social movement could lead to nothing.

Certainly nothing can be done that is of any use in the social movement, unless one is prepared to give Reality her due. The mode of thought that is at the back of these suggestions recognizes that everything man does as a member of the body social should be in conformity with the conditions of its organic life.

. . . . .

Anyone who is only able to model his conceptions on customary institutions will be uneasy when he is told, that the manager's relation to the worker must be removed from the sphere of economics. He will imagine that such a separation is bound to lead to a depreciation of money and a return to primitive conditions of industry. (Dr. Rathenau expresses such views in his book *After the Flood*; and from his point of view they look justifiable.) But the danger will be counteracted by the threefold form of the body social. The autonomous economic organism, in conjunction with the body politics, separates money relations entirely



off from labour relations, which have their foundation in rights. Relations of rights will have no direct influence over money conditions; for these are the outcome of economic administration and organization. The relation between manager and worker, which is one of right, will not enter unduly into currency value—it will not be expressed in it at all. For wages (which express a ratio of exchange between commodities and labour power) being done away with, monetary value is then merely a standard for the reciprocal value of commodities—or services performed. If we study the threefold order in its actual effects upon the body social, we shall arrive at the conclusion, that it is not merely the present form of State dressed up differently, but that it will lead to institutions totally diverse from those that exist in the State as we have it to-day.

Within these institutions everything will be effaced that to-day carries an atmosphere of class war. For the conflict between classes arises from wages

being bound up with economic processes. What we are portraying here, is a form of social order in which the idea of *wages of labour* has no more reality than the old idea of *property*. One must not jump to the conclusion, that what is here proposed involves in practice nothing more than the conversion of time-wages into piece-wages. A one-sided view of the matter might possibly lead to such a conclusion; but it is not the view advocated here. What is here envisaged, is the total break-up of wage relations, and the substitution of a new contractual relation between the head of the business and the worker, *in conjunction with the whole organization of the community*, as to the share that each shall receive of what they have jointly produced. It is conceivable, that someone might regard the worker's share of the joint performance as being of the nature of a 'piece wage.' If so, they fail to see that a 'piece wage' such as this (which is not properly a 'wage' at all), expressed in terms of the value of the thing made, gives to the worker a very

different standing amongst other members of the community from that which he has come to occupy under class-rule with its one-sided economic bias. This settles the question of class war.

There is an opinion sometimes voiced, and in socialist circles too, that the answer to the social question will be found in the process of evolution itself, and that one must not put forward ready-made views and insist on their being realized. If anyone says this, we shall reply :— Certainly what is necessary must come about in the course of evolution ; but in the body social the ideas of men are realities ; and when time has rolled on a little, and what to-day is only thought has become actually realized, then these realized thoughts will be there, in the evolution. When the thoughts of to-day have become facts of evolution, then those who look ‘only to evolution’ and have no use for creative ideas, may be better able to form a judgment. Only when that time comes, it will then be too late to accomplish certain things that are

demanded now by immediate facts. In the social organism we simply cannot regard evolution objectively, as we do in external nature. We have got to work the evolution. This is what makes it so particularly unfortunate for a sound social philosophy, that it is to-day up against a point of view which is bent on 'demonstrating' what society needs, as one 'demonstrates' a proposition in natural science. In any view of social life, 'proof' is only possible, when one can include, not only what is actually existent, but also what is latent in men's impulses,—though often unperceived by themselves,—and striving for realization.

. . . . .

Amongst the ways in which the three-fold organization will show that it has its roots in the nature of human society, will be the separation of the magistracy from the institutions of the political state. The latter will have to define the rights that are to be recognized between men, or groups of men. But the actual decision

## 172 THE THREEFOLD STATE

of cases will come under institutions developed from within the spiritual state. The judgment passed is to a very great measure dependent on the judge's ability to have imagination and understanding for the individual circumstances of the person he is trying. Such imaginative understanding will only be present when those ties of sympathy and confidence, which link individuals to the institutions of the spiritual state are also made the determining element in the constitution of tribunals. Possibly the directing body of the spiritual state might make a panel of magistrates taken from the greatest possible variety of professions, who, after the expiration of a fixed period, would go back to their own callings. Everyone would then have the opportunity, within certain limits, of selecting one particular person on the panel for a term of five or ten years. This would be someone in whom he feels such confidence, that he would be willing, if it came to the point, to accept his arbitrament in a personal dispute or criminal case. There will

always be a sufficient number of magistrates in the district where a man resides to give a real value to this power of selection. The person who prosecutes will then invariably have to apply to the magistrate competent to the particular defendant.

Only consider what a profound significance such an arrangement would have had in the districts of Austria-Hungary. In places of mixed language, a man of any nationality would have been able to choose a judge of his own race. And anyone acquainted with conditions in Austria may know how greatly such an arrangement might have contributed to remove friction in the life of her various peoples. But apart from nationality, there are many spheres of life on whose healthy development such an arrangement might have a beneficial effect.

For the sake of more exact instruction in points of law, the magistrates and courts of justice will be assisted by officials whose selection will also be provided for by

the administrative spiritual body. These officials, however, will not themselves try cases. Appeal courts will have to be formed in the same way through the administrative organization of the spiritual state. As an essential result of such a society as this, it will be possible for a judge to be in close touch with the mode of life and feeling of those whom he may have to judge. Outside his official position,—which he will only occupy for a short length of time,—his life will make him familiar with their atmosphere and surroundings. All the institutions in the healthy community will serve to train the social sense of those who take a part in them; and it will be the same with the judicature. The execution of the sentences will be the affair of the equity state.

. . . . .

The arrangements which will be made necessary in other branches of life by the realization of these ideas, need not here for the moment be described.

Obviously unlimited space might be assigned to them.

Such few instances as are here described of the institutions that will spring up, are sufficient to dispose of a notion (which indeed I have actually met with when lecturing on the subject at various places) that the idea at the bottom of all this is a renewal of the 'three Estates' of the Plough, the Sword and the Book.\* By the three members of the body social no such division into 'Estates' is meant, but just the very opposite. Human beings will in social life neither be grouped in classes nor yet in 'estates.' It is the body social itself which will be re-grouped. And just by reason of this, a human being will be able to be really a human being, for the grouping will be such, that his life can have its roots in each domain of the body social. The special interests of his calling will give him a footing in that branch to which he by trade belongs. To the other two he will stand in very intimate relation, for the part played in his life

\* "*Nachr-Wehr-und Lehrstand.*"



by their institutions will be of a nature to make that relation a living one. Threefold will be the social organization which, external to the individual, will form the groundwork of his life; and each individual will in himself unite its three parts.

#### IV

#### *International Aspects of the Threefold Commonwealth*

THE internal structure of the healthy commonwealth makes international relations also threefold. Each of the three departments will have its own independent relation to the corresponding departments of other social communities. The economics and industry of one country will develop relations with corresponding institutions in another, without being directly affected by the terms prevailing between the equity, or political states. Conversely, the relations between the political states will, within certain limits, develop in complete independence of the economic relations. Owing to this independence of origin, the two sets of relations will have a mutually moderating effect in cases of dispute. The result will be such an inter-

weaving of interests of the various communities as will make frontiers seem negligible in the common life of mankind.

As for the spiritual organizations in the different areas, their intercourse can then be conducted on the ground alone of the common spiritual life of all humanity. Freed from the state and established on a footing of its own, the spiritual life will develop all manner of possibilities, unattainable whilst the recognition of spiritual values rests, not with its own organization, but with the political state. Scientific work is obviously quite international in character; and in this respect there is no difference between scientific achievements and those in any other intellectual or spiritual field. The common language of a race in itself constitutes a field of spiritual life, together with all that the common language involves. National consciousness itself belongs to this domain. The inhabitants of one country united by a common tongue does not enter into unnatural conflict with a country of another tongue, unless they try to impose

their own national civilizations by means of political organizations or economic force. Where one national civilization is more capable of expansion than another, or has greater mental and spiritual fertility, then it is quite right that it should grow and spread ; and it will do so by peaceful methods, when this expansion takes place solely through institutions depending on the spiritual departments of the communities concerned.

At the present time, the keenest opposition to the adoption of the threefold order will come precisely from those human ties of association and instinct that have grown out of a community of speech and common race traditions. But this opposition will have to give way before the common goal of all mankind, towards which men must ever more deliberately and consciously address themselves under the pressure of the new age and its necessities. The men of this age will come to feel that until each section of them establishes a living link with all the rest, none can attain to an existence

worthy of the dignity of man. It is through affinities of kinship,—this tendency of racial groups to hold together,—along with other natural impulses, that common systems of law and economic life have been formed in the course of history. But the forces at work in the growth of nationalities must unfold freely in mutual give and take, and untrammelled by the relations which may spring up between the various political states and economic associations respectively. This can be done by the various national communities developing their threefold organizations in such a way, that each of the three departments in one community can have independent relations with the corresponding branches in other communities.

In this way very various links will be formed between the various nationalities, political states and economic bodies ; and thus every section of mankind will be so intimately connected with the rest, that each in its own sectional concerns will share in the common life of the rest. A league of nations springs up from

actual practical root-impulses. It will not have to be 'instituted,' nor by ideas of political justice alone.

To a practical mind it must appear of special importance that whilst the social aims here set forth hold good for the whole of mankind, yet they can also be put in practice by every separate social community; no matter the attitude which other countries may for the moment adopt towards their realization. If any community organizes itself into its three natural component parts, then the representatives of these three parts can act as a single body in their international dealings with other communities, even although these latter have not yet adopted the threefold organization. Whoever leads the way by organizing on this threefold basis, will be working for an aim which is common to all humanity. What needs to be done will be accomplished through the strength that is manifested in actual life by a purpose that has its roots in real human impulses,—far more than by the drafting of schemes at conferences, or

as the result of diplomatic agreements. It is on a basis of reality that this purpose is thought out. It is in the reality of life, at every point, and in all human communities, that this aim can be pursued.

Whoever has during the last few decades been watching the life of nations and states from a standpoint such as represented here, might see how old State conglomerations, that had grown up in the course of history, fusing the three lives of economics, equity and spirit, were becoming involved in international relations that were driving them to the verge of a catastrophe. At the same time, however, he might perceive rival forces in men's unconscious impulses that were tending towards a threefold organization. Herein lies the remedy for the disasters caused by this mania for the single form. The 'rulers of mankind' did not however lead the sort of life that enabled them to see what had been working up for years. In the spring and summer of 1914 one still found statesmen saying that, 'So far as could be humanly foreseen, the

peace of Europe was, thanks to the efforts of the various governments, assured.' These 'statesmen' had not the least idea that all they were doing and talking about had ceased to have any connection with the course of real events. Yet they were the people who were supposed to be the 'practical' ones; and the 'visionary,' in those days certainly, was anyone who for years had been forming ideas that ran counter to those of the 'statesmen,'—such ideas for instance as those which the author of this book expressed some months before the catastrophe when addressing a small audience in Vienna (a larger one would certainly have laughed him down). Speaking of the danger ahead, he expressed himself somewhat as follows: 'The tendencies in life that are to-day in the ascendant will go on getting stronger and stronger until they end by annihilating themselves. Whoever observes the life of society with spiritual insight sees in every direction, as it were, hideous nuclei forming of social tumours. This is the terrible weak spot in civilization, for



anyone who can see behind the surface. This is the appalling thing which so weighs us down. Even if one could otherwise suppress all eagerness that life's events should be read by the light of a spiritual science, this thing alone would compel one to proclaim the cure, and in such a way that one would fain stand and shout one's words at the world. If the social order continues to evolve in the same way as hitherto, sores will spread over the civilized world which to the body social are like cancer in the natural human body.'

Such was the sub-structure upon which the ideas and tendencies of the ruling classes were developed. With their conceptions of life, they could not and would not see what lay beneath the surface; but their views developed certain tendencies which led them to adopt remedial measures, measures which would have better been left undone, and not one of which was adapted to instil the various communities of men with mutual confidence. If anyone thinks that the inevit-

able forces of social life played no part among the direct causes of the present universal disaster, let him ask himself these questions; What turn would political tendencies have taken in the states that were rushing into war, if only the statesmen had taken account of these inevitable social forces and embodied them in their policy? Further, how much of what they actually did would have been left undone, if their policy had been thus given some other occupation than laying the train for the future explosion?

Perceiving for years past the cancer creeping on in international relations, as a consequence of the life led in the foremost classes of society, one could understand how a man, who was bound up with all the widest interests of the human spirit, was driven to speak as Hermann Grimm did, as early as 1888. When discussing the form taken by the social aims of those leading classes, he said: 'Our aim is, that the whole human race should finally take shape as a commonwealth of brothers, who ever after shall

go forward together, actuated only by the noblest motives. Anyone who reads history merely on the map of Europe might imagine that our immediate future would be taken up with a universal internecine massacre.' Only the idea that 'some way must be found to the true treasures of human life,' this alone can keep alive a sense of the dignity of man. Such an idea 'seems out of keeping with the gigantic preparations for war that we and our neighbours are making; and yet I do believe in it, for by the light of such a belief alone can we live;—if indeed it were not better to put an end by common consent to the life of mankind, and appoint an official day of universal suicide.' (Hermann Grimm, *The Last Five Years*, p. 46, pub. 1888.)

What were these 'preparations for war,' except measures taken by men who were bent on maintaining the structure of their states in one indivisible form, in despite of the evolution of modern times, which makes such a form incompatible with the very nature of healthy inter-

national relations. Yet a healthy international life might be brought about by a social order that was in conformity with the exigencies of the new age.

The Austro-Hungarian State had for more than half a century been calling for a new form. Its spiritual life, rooted in the life of many varied nationalities, could not develop the form needful to it, owing to the obstacle presented by the old single form of state, which had been evolved by tendencies now out of date. The incident with which the great catastrophe opened,—the quarrel between Austria and Serbia,—is of itself a conclusive sign that the political boundaries of this one-fold State ought not, after a certain point of time, to have set the bounds to the intellectual and spiritual life of the peoples within it. Had the spiritual life possessed its own sphere, independent of the political state and political boundaries, it could then have spread out beyond those boundaries, and taken a development in harmony with the aspirations of its various peoples. But to

everyone in Austria-Hungary who prided himself on a statesmanlike attitude of mind such a free development seemed an absolute impossibility,—indeed, sheer lunacy. Their way of thinking could admit of no other conception than that the boundaries of the political states are also the boundaries of nationality. That intellectual and educational institutions might cut right across the frontiers of States, this was an idea that their conceptions could not grasp. And yet this “inconceivable” thing is precisely what the new age demands in international life. Anyone of a practical way of thinking ought not to dismiss a thing as impossible and to imagine that there are invincible difficulties in the way of the necessary reconstruction. The harder it is, the more resolutely he should set himself to overcoming obstacles. Instead of turning their “statesmanship” into the channel made requisite by the new times, their whole energies were bent on bolstering up the one-fold State in opposition to these new requirements. And so this State

became an ever more and more impossible piece of construction. And in the second decade of the twentieth century, Austria-Hungary found herself faced with the alternative, either of renouncing all attempts to keep going any longer in the old form and of simply awaiting dissolution, or else of using the means which war would place at her disposal to shore up the internally tottering fabric by external force. In 1914, there was for the Austro-Hungarian statesmen no other choice. Either they must deliberately set themselves to pursue the direction in which all the currents of healthy social life were setting, and announce this to the world as their purpose (a course which might have aroused new confidence), or else they were absolutely forced to start a war in order to keep the old structure from falling about their ears. What happened in 1914 must be judged from a perception of these deeper underlying causes, otherwise it is impossible to think correctly about the question of 'blame.' The fact that many nationalities went to

compose the fabric of her State might well seem to make it Austria-Hungary's special mission in history to lead the way in developing a sound social structure. She failed to recognize her mission; and this sin against the spirit of the world's life, this failure to play her part in historic evolution, drove Austria-Hungary into war.

And what about Germany? The German Empire was founded at a time when the tendencies of the new age towards a healthy social order were striving to become realized. Had she given them realization, the Empire might have justified her right to existence before the judgment of history. All the forces of social evolution had concentrated themselves in this realm of central Europe as in the very place that seemed pre-ordained in the world's history for them to work themselves out. A socialistic mode of thought made its appearance in many places; but in Germany it took a peculiar form, from which might have been seen whither it was tending. This ought to

have given a purport to the work of the Empire. This should have set the task for its rulers. The existence of the Empire among the community of nations might have been argued to be justifiable, had the work of the newly-founded State been given a purport which all the forces of history seemed to suggest. But instead of rising to this lofty task, they never got beyond 'social reform,' the exigencies of the hour ; and were quite delighted when foreigners praised the model perfection of these reforms. And at the same time, they sought ever more and more to base the external prestige of the Empire upon institutions formed on the most antiquated conceptions of imperial power and glory. Accordingly, they fashioned an empire which, no less than the Austro-Hungarian fabric, gave the lie to all that history showed to be at work in the life of peoples in modern times. But of these forces the rulers of the German Empire saw nothing. The form of state which they had in their mind's eye could only rest upon military force. The historical exigencies



of our day could only have been satisfied by giving embodiment to the impulses that were making for the healthy commonwealth. Had these received practical recognition, Germany would have played a different role within the modern community of nations from what her position was in 1914. From the failure to understand what was demanded by the life of nations in the new age, Germany's politics had, in 1914, reached a dead-point as regards any possibility of further action. For years past, she had failed to see anything of what required to be done. Everything that she had been busying herself about lay right outside the stream of present-day evolution, and was bound inevitably from its very emptiness to 'tumble down like a pack of cards.'

A faithful picture would be obtained of the whole outcome of this historic chain of circumstance as it culminated in the tragic fate of the German Empire, if someone would only undertake to examine and tell the world exactly what went on in the critical quarters of Berlin in the final days of

July and the first of August, 1914. Of these occurrences very little is known at home or abroad ; but whoever does know them is aware how like a card-house the whole state of German policy was at that time. It had in fact reached such a dead-point that it was without resources ; and the final decision, as to whether war should be declared and in what way, was, as a consequence, inevitably left to the military authorities. Whoever it was amongst the military authorities with whom the decision really rested *could not* at that moment *from the military point of view* do otherwise than what was done ; because from that point of view there was no other possible aspect of the situation. For outside the military sphere things had been brought to such a pass that no further action was possible. This would all be shown to be an historic fact if anyone could be found who would insist on bringing to light what went on in Berlin in the last days of July and on August 1—particularly August 1 and July 31. People still are under the illusion that nothing is to be gained by a study

of these final occurrences, and that it is enough to know the events that led up to them. But in discussing the question of what is now commonly called the 'blame,' the study of these facts ought not to be omitted. Of course the causes of the war go back a long time before that, and a knowledge of them can be gained from other sources; but a study of the occurrences of these two days reveals the *way* in which the causes acted.

The ideas, which at that time urged Germany's leaders into war, continued their baneful work. They became the mood of a nation. Even in the last terrible years, those in power were prevented by these ideas from acquiring through bitter experiences that insight for want of which the tragedy had come about. In the hope that this painful experience might have made people's minds more receptive, and thinking the misfortune of war afforded a suitable occasion, the present writer took pains to lay the idea of the threefold commonwealth and what it entailed as regards

our relations with foreign countries, before leading men in Germany and Austria, whose influence at that time might still have been actively exerted to give effect to these new tendencies. Persons who meant well and honourably by the German people, and their destiny did their best to get an introduction for these ideas. It was no use talking. All the old habits of thought were against these new tendencies, which seemed quite impracticable to those whose whole system of conception was of a purely military caste. The farthest they could get to was: 'separation of Church and Education,' yes, there really might be something in that. 'Statesmanlike' thought had been moving along the same lines for years, and it could not be turned in a direction that would lead to any drastic change. Well-meaning people suggested that I should 'publish' these ideas. At that time such advice was absolutely futile. What could have been the use of adding a treatise about these exigencies of the age and its tendencies to the masses of pamphlets

and literature of all sorts already in the field,—when one was a private individual too! From the very character of these tendencies, they could, at that time, only possibly have carried weight because of the position from which they were uttered. If the right words had been spoken in the right quarter, and voice given to these impulses, then the peoples of Central Europe would have recognized, that here was something akin to their own more or less conscious strivings. And at that critical moment the Eastern peoples of Russia would have been quick to use these tendencies to build up their new order after the downfall of Tsarism. That they could and would have understood the value of these tendencies, is not to be disputed by anyone who perceives the as yet unexhausted intellectual vigour of the races of Eastern Europe, and how open they are to social principles that are sane and healthy. But these principles remained unheralded; and, instead, came Brest-Litovsk.

That a militarist mentality could do

nothing to avert the catastrophe must have been patent to all,—except to military minds. And the cause of the German people's misfortune lies in the fact that people refused to believe that the catastrophe could not be averted. Nobody would recognise that in those quarters where the decision rested there was no understanding for the inevitable forces at work in the world's history. Anyone who knew something of these forces was also aware that amongst the English-speaking peoples there were leaders who perceived the forces at work amongst the races of Central and Eastern Europe, and who were evidently convinced that these forces were bound to find expression in violent social upheavals. They believed that in English-speaking countries there existed no historic necessity for upheavals of this nature, and indeed that the circumstances precluded any possibility of them; and they shaped their own policy in accordance with these views. In Central and Eastern Europe people saw nothing of all this, but continued to steer

a course that brought their whole diplomacy about their ears like a house of cards. The only policy that could have had any solid foundation, would have been one which reckoned on the English-speaking countries handling historic forces on big lines, and of course entirely from the English point of view. But to everyone,—especially the diplomatists,—any argument that might have induced them to such a line of policy seemed something highly superfluous and unnecessary.

And so instead of a policy which, before the onrush of the final catastrophe, might yet have turned to the good of Central and Eastern Europe,—despite the large lines of British policy, the diplomatists still continued to move in the traditional grooves. All their bitter experiences during the terrible years of war were unavailing to teach them what was wanted. From America had come the manifesto laying down a political programme for the world. It should have been met by a counter-programme from

Europe, born of the inherent forces of Europe herself. Wilson had propounded a mission for the world in terms of American thought. Europe's sense of her mission might have been heard as a spiritual impulse across the roar of her guns; and it would have been possible to effect an understanding between these two. All other talk of 'mutual understanding' rang hollow when tried by historic necessity. But those whom circumstances had brought to the head of affairs in Germany lacked the perception, which would have enabled them to seize on the possibilities latent in the modern life of mankind and embody them in a comprehensive programme. And so the autumn of 1918 could bring us nothing beyond what it brought. The break-up of the military power was the signal for a spiritual abdication. At this hour at least they should have roused themselves to make the spiritual impulse of the German people effective to formulate an European purpose. But, instead, they abdicated to Wilson's Fourteen Points.



Wilson was confronted by a Germany that had nothing to say on her own account. Whatever Wilson may think of his own Fourteen Points he can after all only help Germany in the way Germany herself wills. He was bound to await an expression of her will. At the outbreak of war German diplomacy showed its futility. Now came October, 1918, and it was again proved futile. So came that awful spiritual capitulation, under a man on whom many in German countries may be said to have staked their last hope.

A disbelief in any insight to be gained from the forces at work in history, a disinclination to put faith in any impulse that springs from a recognition of spiritual causes and effects, this it was that brought about such a state of things in Central Europe. And now a new situation has come about from the actual facts arising out of the catastrophe of the war. Its distinguishing mark is the idea of mankind's social impulses, as they have been interpreted here. These social forces

speak a language that carries with it a mission for the whole civilized world. Will the world find now that its thought has spent itself and come to its dead-point before the social tasks of to-day, just as the policy of Central Europe did, in 1914? Countries, that were able to stand aloof from the problems that presented themselves then, cannot stand aloof from the social movement now. This is a question that admits of no political adversaries, of no neutrals. Here there must be but one human race working at one common task—a human race ready and willing to read the signs of the times and to act accordingly.